

JPRS-WER-85-082

2 October 1985

# West Europe Report

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2 October 1985

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POLITICAL

BELGIUM

NOTHOMB DEFENDS PSC'S STAND ON SCHOOLS, REGIONS

Brussels KNACK in Dutch 31 Jul 85 pp 13-16

[Interview with Charles-Ferdinand Nothomb by Frans Verleyen: "I Don't Know Who Is Standing Behind The Door"]

[Text] After the Heizel-affair the French-speaking Christian Democrats once again are the center of political interest because of their refusal to discuss equal opportunity in education. Charles-Ferdinand Nothomb explains why.

[Question] The coming elections picture on 13 October suddenly changed completely. For openings, there will be less debate beforehand on the socio-economic situation, after almost 4 years of Martens V, than about this constitutional issue of Flemish and Walloon education. You do not want to consider a revision of amended Article 59.

[Answer] Yes, that issue is of great strategic importance to the political parties, including the PSC [Social Christian Party]. The issue is so important that we are forced to take an extreme position, because one is wary of making compromises when a constitutional revision is involved.

[Question] The French-speaking liberals and others are assuming that the CVP [Christian People's Party] and PSC are heading toward a political crisis in early September. A crisis over making Flemish and French equally important by way of a constitutional revision which would normally be required. But it is not out of the question that your resistance to the change in amended Article 59 will cause a conflict within the government resulting in the dissolution of parliament, placing any further reform in limbo.

[Answer] I realize that danger; however, I trust that Prime Minister Martens will settle the dispute wisely and with understanding for everybody's position.

[Question] But it is difficult for his [Marten's] CVP to go to the voter right after Minister Nothomb blocked the CVP's important education plan. The protector of Happart who almost single handedly crippled a basic Flemish aspiration.

[Answer] I take no pleasure in doing such a thing nor do I like going against the grain. I want to say to the Flemish that for me, as the one responsible in the PSC, guaranteed freedom and equality in the organization of our educational institutions is of primary importance. Today that freedom exists and we are on the road to equality, but that important political asset is fundamentally not yet secured. The principle of freedom and equality must be defended every day, week after week, month after month. Not only in light of constitutional provisions which have brought peace in the field of education but in the concrete facts themselves.

Don't forget that they are under pressure because of the austerity policy. New problems are constantly cropping up, threatening equality: funding, the upkeep of boarding schools, the lowering of operating costs at the schools. As long as we have not reached absolute equality among all schools and children, a politician, like I am, has to stay alert.

[Question] But Wilfried Martens himself has said: we should have had federalization in education already; it is necessary and inevitable. He realizes that you want guarantees and he is searching for ways to give them to you. Still, you and your party keep blocking the constitutional side in that issue. Even the PSC congress has said: we will not join in a government that includes the revision of amended Article 59 in its program.

[Answer] That is our stand because the problem is so deep. It actually consists of several problems at the same time. Let me begin with the issue of equality.

On that, in terms of doctrine, we are on the same wavelength as the CVP. We give no more preference to schools having a definite pluralistic character than to free institutions. We share the care for more quality in education. But the PSC, being the important defender of free initiatives in French-speaking Belgium, is in a very different situation from the CVP. The French-speaking are a minority in the state and the PSC is a minority within that group. We are a minority twice over. That is why this education problem is so important for us and also so delicate. The division of political power is not in our favor. Nevertheless, you are asking me to give up a constitutional protection which I now enjoy, in exchange for a position that is worse. Why would I do that? You say: because all the Flemish want it that way--they have come to some sort of agreement on that--and because they are a national majority.

[Question] And because they don't like the engraved PSC slogan: federalized education means more money for the Flemish and more power for the Walloon socialists.

[Answer] That slogan is not mine, I don't use that kind of language. It is a saying by PSC Chairman Deprez. I simply say from the bottom of my heart: I don't want to give up a system in which I am in a better position to defend myself. I call in this case on nothing less than the existing constitution. A constitution is the basic law and I like to apply this law. Moreover the constitution is the basis for traditional Belgian consensus. What is Belgium?

It is a country that guarantees freedom for everyone through the introduction of a great many balances: between the king and the Chamber, between North and South, Catholics and liberals, the rich and the less rich, employers and trade unions, the municipal and the state government...

As soon as freedom is put under pressure, there is a danger for Belgian society. When the Flemish tell me that I am not the majority, but still thrust my will upon them, I answer: the reverse comes down to the same thing. That is also against Belgian law.

We have accepted all the laws in the course of time and with many constitutional revisions; every time with a two-thirds majority in the Chamber and the Senate. They are your law and mine, and they are good laws. That is why I say "no" to equal opportunity in education. That is neither dictatorship nor blackmail. I am not taking that position for personal glory and I am not angry with those who favor equal opportunity. But don't ask me to help you in that area, which is against the interests that I defend. Education, which I deal with, is one of the most important areas, not for a period of 5 years, but for some 20 years, after I am gone. I will retire in the year 2001 and I don't want to have people who face a problem then to say: "It is a pity that Nothomb let this happen in 1985."

#### Fifteen Years

I, therefore, try to explain to the Flemish that this is not a matter of pure tactics, or a handy little law that I am exploiting. No, it concerns both a large consensus and has the deepest meaning in my political life.

[Question] You stress the law, in this case amended Article 59, but that is open to interpretation. At present the law already states that education is, in principle, a federal matter. The fact of the matter is the exceptions to that rule are so numerous and important, that 95 percent of the qualified posts in the field of education are kept in the hands of the central Belgian Government. The Flemish simply want a pure application of the principle. They want the exceptions to be done away with.

[Answer] But they are the very ones who made the rule. That was already agreed to 15 years ago, as part of a larger set of balances such as, for example, the parity in government and other measures to protect minorities. Indeed, it is paradoxical that in our country the Flemish majority wants more autonomy. Normally, the minorities are the ones that ask for greater independence.

The peace in education guaranteed by the constitution as stated in amended Article 59 is only 15 years old and they already want to change it. Do you now understand why I am so hesitant about a revision of amended Article 59 even if it is accompanied by all kinds of guarantees? Those guarantees can only flow from the current political situation but they will play in a totally different atmosphere in 15 years, which at present is unknown.

[Question] Politics is like life. Something that evolves.

[Answer] Exactly. That is why constitutional guarantees only have the value which you just mentioned: today's opinion and the loyalty of the moment can be changed by facts which will be completely different tomorrow. Why should I now give up the key which opens the door to the Belgian balance and which protects my French-speaking liberal education, in exchange for an oral or written guarantee, even if given in good faith?

[Question] In essence, an intricate procedure and financing method which can no longer be called honest. French-speaking education receives relatively much more funding from the national treasury than the Flemish. That is the reason why they "in the North" want to take care of matters themselves with more of their own revenues. Funds from premiums instead of donations.

[Answer] It is exactly because this freedom is so fragile that its protection is always so complicated in politics. I know systems where everything is very simple. One people, one nation, one "Fuehrer", for example. Real democracy naturally is not as simple as that. I believe Prime Minister Martens understands that very well, and it is for that reason that he is searching unceasingly for balances that are as complex as democracy itself.

#### The Fourth Wheel

[Question] The Flemish socialists are also a minority in Flanders, and as such objectively speaking, are actually your allies. Nevertheless, they leave the responsibility for maintaining peace in education to their own community, including the risks and the problems involved in funding public education which they favor.

[Answer] Their position is nevertheless different: they are a minority within a majority. That is not the case with the French-speaking Catholic community. That is the reason why we need more influence or power if you want to call it that, than our number mathematically speaking permits. We are indeed the fourth wheel on the wagon, and I purposely am not saying: the fifth. That is how the Belgian car is constructed; the fourth wheel is also necessary for driving.

Very well, now on the question of funding. Why does schooling for a Walloon pupil at present statistically cost more than for a Flemish pupil? Because there are more state schools in the South, and they always cost more than the liberal schools. The geographic situation in Wallonia is different (I'm referring here to my own province of Luxembourg!), because it has many more thinly populated rural areas. And, probably, because in the past the administrative management of the Walloon educational system was worse.

I say to the Flemish: I am not interested in financial or political favors. I only want all Belgian children to be equal. Starting from that principle, I also want to review the whole question of funding. If there are pedagogical formulas or better management systems which would allow me to achieve equality with less funding, then I am quite prepared to accept them. I am not frivolously pursuing a favorable 54:46 distribution formula or

budgets 'in the millions', but rather a political ideal. That is why I fully agree with the advantages which Flemish education enjoys in the capital. I even see a similarity between that minority educational system and the situation in my own province for example, where many small classes drive up the cost per pupil.

Reaching equality for all children is a matter which I would rather work out with both minister Coens and Minister Bertouille, than with Bertouille alone. This view is dear to me, not because I enjoy poking my nose into Flemish affairs, but rather to safeguard something of great importance to the French-speaking community.

[Question] Prime Minister Martens is a good lawyer, and very adept at solving apparently insoluble controversies. He offers you guarantees even before amended Article 59 is revised. Why don't you trust him?

[Answer] I do trust him. If I could be sure that he will be the one who will be leading the revision of the constitution, and that after the elections the government will have the same majority, then, in that case, I would turn in my key to the door right now. But even Martens cannot give me that assurance. I first have to open the door, and then I still run the risk of not finding guarantees behind the door. What people will make up the two-thirds majority in parliament after 13 October? That I won't know until 14 October, but you are still asking me to give up my guarantee beforehand. I don't know who will be standing behind the door at that moment. It is not a question of trust, but of election results.

[Question] Nevertheless, don't you fear deep political tensions which will brazenly throw the Belgian balance out of kilter if you keep blocking today's important Flemish plea and a plea of the Walloon majority as well, with 18 Chamber members against 212?

[Answer] You know, those important pleas can change enormously in 10 years. One decade ago all of Flanders thought: the FDF and the RW were thought to be the emerging powers, and the PSC was on its last legs. Today the FDF has disappeared and the RW leader Paul-Henri Gendebien is back in the PSC with PSC ideas. I lived through the days when the Flemish Movement wanted to recapture Brussels. Today the Flemish inhabitants of Brussels say: their interests lie in the capital itself and not in Flanders. Is federalized education an important plea? I think you may be right, but I am not sure.

Careful

[Question] If there were a solemn political statement issued jointly by the CVP and the PSC promising that the Christian democrats will not cooperate in a government which is planning to tinker with your key, wouldn't that be enough of a guarantee?

[Answer] At first glance, yes, but one can not let his trust in people go too far. In the 1960's my esteemed predecessor, Minister Gilson, lost his political hide by introducing the new language laws. After all, they weren't

going to change a thing in language regulations at Leuven University. CFP and PSC members agreed completely on that point. Five years later UCL changes had become a fact. I joined in the signing of the Egmont pact in the 1970's. The majority, two-thirds, was honest and acted in good faith. But the pact was never realized. A man who has experienced such things becomes careful.

[Question] On the face of it, even Martens can't pull a rabbit out of the hat. Especially since he has already committed himself to the principle that PSC ministers also have to be behind the revision of amended Article 59.

[Answer] I am still waiting for his hair splitting. I would be the happiest politician in the world, if he could find a solution, because I realize that my position can cause tensions which can be dangerous to the Belgian system. Being in opposition to the Flemish, I am cast in a very unpleasant role. I don't want people in Flanders to say that I am acting in a calculating manner or something like that. On the contrary, I am bending under a heavy burden. I lived through 6 difficult weeks after the Heizel affair which since mid-June began evolving unfavorably for me. But I told my family: the next 6 weeks will be even more difficult, because the main issue in the elections is even more important.

[Question] The thought that you, for such a small party, do have a great deal of power, can only escape them with difficulty in Flanders. The Happart case has also shown that. You, as a political figure, have somewhat the reputation of getting everything you ask for. How is it that you have so much power?

[Answer] I will give you an answer to that. At one time in my life I did the right thing, and everything results from what sprouted forth from that right thing. When I was a young man, and almost all of my friends from the university joined the RW or the FDF, I chose the PSC. I became the youngest PSC Chamber member in the history of Wallonia. I also became a very young chairman, having the vigor of youth and the support of the older members. My luck came from choosing the right party--the PSC, which in those days did not seem to be the obvious thing to do, but in the end I achieved the same thing as Wilfried Martens, during a period of transition in generations. I think that the CVP looked for and found Martens, as the man who they needed. With the PSC and myself the same thing happened, and not because of my bright blue eyes. That is why I think that neither the party nor the people dropped me after the Heizel drama.

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POLITICAL

FINLAND

CP LEADERSHIP 'UP AGAINST THE WALL' DEALING WITH STALINISTS

Helsinki HELSINGIN SANOMAT in Finnish 13 Aug 85 p 2

[Editorial: "Arvo Aalto and the CPSU Challenge"]

[Text] It has been reported that the SKP [Finnish Communist Party] leadership paved the way for the expulsion from the party of the Stalinist district organizations when they were given one last formal opportunity to submit to the rule of the party leaders. Carrying out the threat would apparently lead to a formal split as well of the SKP into two different parties.

So far chairman Arvo Aalto has not had courage enough to take the decisive step since the price would presumably be a complete break of relations with the Communist Party of the Soviet Union (CPSU). On the other hand, Aalto has himself on several occasions stated that the situation is untenable and has promised to settle it. Under the present organization split it is difficult for the party to get ready for the next parliamentary elections.

The fact that nine of the district organizations have been in the hands of the moderate majority and eight in the hands of the Stalinist minority has for a long time reflected the actual split in the SKP. When the Stalinists withdrew from the party's governing bodies at the 20th party congress in the summer of 1984, the party leadership attempted to resolve the deadlocked situation to its advantage by establishing seven new district organizations of its own alongside the Stalinist district organizations.

The status of the parallel district organizations was legalized at the special congress last winter. In connection with that, the rules were changed so that a decision on the expulsion of the Stalinist district organizations can be made by the party Central Committee instead of the congress. The Stalinists have another tactic: They do not want to support a formal property settlement.

The Stalinists have once again received visible flank support from the affiliated party, the CPSU, which, in conformity with the old factional division, has invited the district secretaries of the nine moderate districts and eight Stalinist districts to visit in Moscow in September. The invitation does not, however, include the new moderate districts approved by the congress last spring. The message is clear: Moscow does not recognize the resolutions of the March SKP congress.

So the SKP leadership has been forced against the wall. Accepting the CPSU invitation would mean a return to a situation to which there can be no return, according to Aalto's many assurances. Expelling the Stalinist districts that have received an invitation from the party would, on the other hand, be open defiance of the CPSU and would obviously lead to a break in relations. Aalto has so far tried to avoid drifting into that situation by postponing final decisions. With its invitation the CPSU has strengthened its own line; now it is Aalto's turn. Only poor alternatives appear to be available.

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CSO: 3617/157

POLITICAL

FINLAND

**MODERATE WING COMMUNIST REPLACES DECEASED STALINIST MP**

Helsinki HELSINGIN SANOMAT in Finnish 7 Aug 85 p 11

[Article: "Pentti Liedes Dies--Heikki Mustonen to Parliament"]

[Text] Member of Parliament Pentti Liedes (Communist) died of a serious illness on Tuesday in the Oulu University Central Hospital. In place of Liedes, Heikki Mustonen, a farmer from Sotkamo, will become a representative of the SKDL [Finnish People's Democratic League] in Parliament.

Liedes, a minority communist, and Mustonen, of the majority wing, fought a fierce battle for the parliamentary seat in the last election. The outcome of the vote was decided only by a ruling of the Supreme Court, and Mustonen, who had been in Parliament for 9 months, since December 1983, had to give up his seat to Liedes.

Liedes was born 5 May 1921 in Ii. He was elected to Parliament for the first time in 1954 from the Oulu district. Liedes was a member of Parliament from 1954 to 1956 and again starting in 1970. He was a presidential elector 4 times.

Liedes was a member of the board of the SKDL from 1952 to 1966 and a member of the central committee of the SKP [Finnish Communist Party] from 1968 to 1984.

9611  
CSO: 3617/155

POLITICAL

FINLAND

**LEADING NEWSPAPER ENCOURAGED BY SWEDISH, SOVIET 'NEW OPENING'**

Helsinki HELSINGIN SANOMAT in Finnish 8 Aug 85 p 2

[Editorial: "New Opening for Sweden and the Soviet Union"]

[Text] During the period of Social Democratic government of Olof Palme, who is a frequent participant in international forums, Sweden has had worse relations with the Soviet Union than its NATO neighbors, Denmark and Norway, which are led by right-wing prime ministers. Now Sweden seems to be ready for a serious effort to improve relations.

As recently as last week, in connection with the commemorative session of the Conference on Security and Cooperation in Europe, foreign minister Lennart Bodstrom had to wait in vain for a face-to-face meeting with the Soviet Union's new foreign minister, Eduard Shevardnadze, although such a meeting was arranged quickly for Uffe Ellemann-Jensen of Denmark, for example. Moscow made the Swedes wait for this week's visit to Stockholm by deputy foreign minister Viktor Maltsev, which both parties have wanted to make into an opening for again warming up relations.

Palme did not neglect the opportunity, but participated visibly in the deputy foreign minister's visit. He also hurried to announce that he was favorable to the invitation of Moscow to visit the Soviet Union later this year. True, there will be parliamentary elections in between, but the invitation presumably is for the prime minister of Sweden, whoever he may be. Moscow wants to emphasize that its aims in improving relations are not connected with progress in Sweden's internal politics.

In Sweden, the situation is more complicated. When he returned to power in the fall of 1982, a year after a Soviet submarine ran aground, Palme's serious intention was to strive to normalize relationships between the two countries. But military reports of continued penetration of [Sweden's] territorial waters by Soviet submarines took away the basis for rapprochement.

Foreign minister Bodstrom's doubts as to the total reliability of the reports aroused public opinion and the opposition so much that last winter an extremely rare motion of no confidence was made against the foreign minister. Only after the prime minister and the opposition threatened to go into an open battle over basic questions of national security did both sides agree that the dispute had been carried too far.

Palme and the opposition agreed that it was not in the nation's interest to make an election issue out of central questions of national security. The right wing "rational coalition," which would have the strongest grip on the prime minister's portfolio after a possible non-socialist victory, has, along with the others, shifted from anti-Soviet vocal pressure to the common line. Its chairman, Ulf Adelsohn, says that as prime minister after the election, he would be favorable to Moscow's invitation, as long as the right conditions still exist. Finland has every reason to hope this will be so.

9611  
CSO: 3617/155

POLITICAL

FINLAND

RURAL PARTY CONGRESS SEEKS TO REINFORCE MODERATE IMAGE

Nuclear Power Plebiscite Urged

Helsinki HELSINGIN SANOMAT in Finnish 2 Aug 85 pp 3, 8

[Article: "Nation Must Soon Vote on Nuclear Power"]

[Text] Rural Party Chairman Pekka Venhamo is demanding a plebiscite on nuclear power before any decisive resolutions are made on energy policy in the country.

Energy policy will be discussed at the SMP [Finland's Rural Party] congress which begins Friday at Hyvinkaa and in the fall in the country's parliament.

In addition to energy policy, the party will determine SMP goals for next year's government budget, and choose the party leadership. As party chairman Pekka Venhamo need not worry; nor does he believe he will have trouble when defending the parliament. He supposes that the party people will allow him the minister's briefcase in the future as well.

Venhamo does not see cause for the kinds of disagreement that would rock the current government, even in the budget being drawn up in the parliament.

Treatment of Leppanen Biggest SMP Disappointment

The treatment given Labor Minister Urpo Leppanen has been Pekka Venhamo's worst disappointment during the ministry term which will be judged for its results in the rural party congress at Hyvinkaa this weekend.

Pekka Venhamo begins his seventh year as leader of the SMP after the Hyvinkaa weekend. Competitors have not appeared, nor has he expressed his yearning for a private life, as Kalevi Sorsa and Paavo Vayrynen have.

"I do not think it is at all wise to start setting timetables. How do I know if I will have worn myself out in, for example, three years?"

Pekka Venhamo does not, however, believe that he will have party leadership for as long as his father did.

"The terms are getting shorter in politics anyway. The tempo has increased so much that no one can sit in parliament or party leadership for over 20 years as Veikko did."

For 2 years now Veikko Vennamo has been getting used to the idea that his son is a minister. It seems that a division of labor has been found lately; the son makes agreements and the father makes sure the political score points hit home.

"There has been a lot of talk that we have a carefully planned script and role division. It is not conscious or planned, though sometimes it may seem so. We are just so different and our methods of acting are different. I have known this since I was a school boy, when I left home slamming the doors."

#### SMP Plans to Stay in Parliament

Pekka Vennamo admits that the burned ground tactic may be good for support, but it is destructive for sitting in parliament. And the SMP is not about to leave the parliament.

"If our support is about the same or better than in the last parliamentary elections, I think we have all the necessary qualifications for continuing in the parliament after the next elections as well."

Pekka Vennamo's biggest disappointment during his term as minister has been the treatment given Labor Minister Urpo Leppanen.

"The ideas of the labor department are opposed automatically and that is certainly not Leppanen's fault or doing. People have always had a disparaging attitude toward the labor department."

Last time Leppanen made the papers by overdrawing his allowance by 6 million markkas.

That is currently being cleared up by the state economy controller's office.

"They can try to drive Leppanen out of the parliament, but I do not believe it. Going over the allowance was not a planned nor a unique event. It has happened before, though perhaps not in such a big way."

Vennamo says he understands that the department of public funds has to clear up the matter carefully, because otherwise no one would bother to stay within his allowance anymore.

"But I emphasize that the mistake was not made on purpose. At the labor department they assumed that the same would happen with the Rinne experiment as has happened always before--that some of the allowance would be left over. But the opposite happened."

## Tax Minister's Daydream

Pekka Vennamo has been in a hurry the last few days. With one hand he has been preparing the party congress, and with the other he has held onto the hem of First Finance Minister Ahti Pekkala. As the tax and wage minister, he has taken part in the budget discussions, though mostly as an auditing student.

He does not promise a general tax decrease this fall either. A marginal tax reform will also be left for next winter's revenue discussions.

Vennamo will try to get an enterprise-tax reform through now.

"But it is still open. The social democrats have asked all summer why it has to be done now. I on my part ask, why not now? After all, it is not some billion markka break for enterprise that is in question, as it has been strongly fed to the public."

The tax minister's ideal taxpayer is, according to Pekka Vennamo, a lonely person with a large income who drinks a lot, smokes a lot, and drives a Mercedes Benz he has paid for himself.

## Vennamo Afraid of Civil Service Rebellion

As wage minister Pekka Vennamo has a hot fall and winter ahead of him.

"I fear most the spreading of the rebellion of the well-off to the public officials. There have been signs of it."

Civil service organizations and the wage minister confronted each other already last spring, when the highest officials demanded that four high government salary levels, now empty, be taken into use. Vennamo prevented it so that representatives and ministers would not get large, politically bothersome salary increases.

The same bothersome detail faces Vennamo this winter

"I do not offer those salary levels to anyone, but if my position means a strike, I will be forced to bring them to the state cabinet."

It would be best, Vennamo thinks, if the parliament would decide on its salaries itself.

"The alternative is that the representatives' salaries will be tied to some index or to the average pay of government officials. That would tempt the political decisionmakers to raise the pay of the lower rungs, so that their own salaries would increase as well."

The most important political decision of the SMP's three-day party congress is its energy policy stand.

"We are negative about large power stations and nuclear power. I doubt our stand will change. I hope that the party congress decides to demand a plebiscite

on nuclear power before political decisions. Seppo Lindblom has been promising a total energy-policy package in the fall."

Vennamo reminds us that one cannot make a parliamentary question out of nuclear power; the ministers and parliamentary parties can think what they want. That was already decided in the parliamentary discussions. "I think nuclear power would be a most appropriate issue for trying a plebiscite."

#### Minister Portfolios Tempt Leaders

Helsinki HELSINGIN SANOMAT in Finnish 3 Aug 85 p 6

[Article: "Parliamentary Responsibility Has Tightened Competition for Top SMP Positions"]

[Text] Hyvinkaa (Anneli Sundberg)--The leading positions in Finland's rural party are more sought-after than ever. This was made evident Friday when the minister-party SMP met Friday at Hyvinkaa to begin this year's party congress.

The positions for deputy chairman were valued and the jostling started right after the first 500 party supporters and congress representatives walked into the Hyvinkaa congress center Friday evening.

The new leadership will be chosen Saturday, the first official meeting day.

Even the bravest cabinet discussions did not dare broach the position of Chairman Pekko Vennamo. His election will be effortless, but his party secretary Aaro Niiranen has managed to find himself an opposition. Its power has not been much trusted, however, because it is said Niiranen has a strong grasp on the field.

Niiranen became party secretary a year ago in Turku. Then he did not yet have a rival candidate, but this year his former district, Kuopio, has risen to mutiny. A rival candidate was searched for feverishly on Friday, but a convincing enough name did not seem to be found.

The people from Kuopio tried to convince representative Pentti Kettunen from Oulu with former experience in competing with Niiranen to become a rival candidate.

This harassment of Niiranen is due to the fact that in the next parliamentary elections Veikko Vennamo's place will become open and Niiranen plans to take it. There would be takers from Kuopio as well.

#### Signs of Legitimacy

The positions for deputy chairman of the rural party have been, up to this point, perhaps some of the most modest and invisible of Finland's political assignments. It has been close that they have even gotten filled.

The current deputy chairmen, representative Helvi Koskinen from Uusimaa and farmer Kalle Palosaari from Oulu, have gotten their names into the media once--when they were selected.

The party's new legitimacy and the possible new ministerial positions have, however, made even the deputy chairman spots more sought after than before.

Koskinen and Palosaari will not voluntarily resign, but rivals can be found at least until the election committee.

The party's changed position is evident in other things as well as in the tightened leadership competition. For the first time in years diplomatic guests have been present, for example representatives from the Soviet delegation.

On Friday in Hyvinkaa there was only behind-the-scenes individual politicking and festivities. The actual work--the elections and the political decisions--will be made Saturday and Sunday.

The party's congress message arrived to Hyvinkaa on the bed of a truck this time. Folk artist Irwin Goodman celebrated its arrival by abusing the useless road- and water-construction plant and the bad roads, to the accompaniment of a guitar. That was called singing.

#### Leppanen to Fight

Chairman Pekka Venhamo talked to a market crowd, and after that a heavy thunder-storm drove the people to take shelter in hotel Rantasipi.

Labor minister Urpo Leppanen wandered among the congress members with a brave smile on his otherwise pale face, and promised that he would fight down the quibblers who think he should go to Federal court for overdrawing his ministerial funds allowance.

"If one has to go to Federal court for giving work to 200 unemployed, well so I go," said Leppanen and spread his hands.

#### Chairman Venhamo Briefly Challenged

Helsinki HELSINGIN SANOMAT in Finnish 4 Aug 85 p 6

[Article: "No Problem for Pekka Venhamo to Continue in SMP Lead"]

[Text] Hyvinkaa (Anneli Sundberg)--Chairman Pekka Venhamo was careful not to attack his parliamentary companions at the party congress of Finland's rural party which began Saturday at Hyvinkaa. He effortlessly renewed his credentials as chairman. Dissenting voices were heard only at the lower level elections.

The leadership of the SMP has not managed to uphold the image of an inviolably harmonious, forward marching parliamentary party. Bubbles rose to the surface from the bottom during the personal elections, though they did not lead to any revolutionary results.

The election of the female deputy chairman had to wait overnight when chairman Pekka Venhamo wanted to avoid elections in the big hall as long as possible.

Pekka Venhamo's own selection was not problematic. After his selection he emphasized to the party congress how determining the next year and a half would be for the party. He predicted that the parliamentary election fight would be harder for the party than ever before, as others would try to take the wind out of their sails in every way possible.

A unanimous nomination for Pekka Venhamo as well as for the deputy chairmen and the party secretary was brought by the preliminary committee to the congress hall. This committee wanted the former deputy chairmen Kalle Palosaari and Helvi Koskinen to continue. Continuation was also suggested for Party Secretary Aaro Niiranen.

Palosaari did keep his place without any ado, but the congress attenders were not happy with Koskinen. The old war-horse of the Christian Coalition, Eino Sares, climbed to the speakers platform to suggest his soulmate, representative Vieno Eklund, and got support for his suggestion.

When the speeches began to get out of hand, Pekka Venhamo hurried to take a break in the negotiations.

During this it was noticed that Sares was not even the official congress representative of the party. But the party leadership interpreted that the support speech amounted to a proposal.

#### Jeers at Niiranen

When the meeting continued after the break, representative Liisa Arranz suggested Leo Makipaa, from Satakunta, as a compromise for the women's position.

The proposal received loud support, after which chairman Venhamo suggested that the election for the second deputy chairman be continued Sunday.

It was believed that by then some might even resign. Overnight there is also time to think about the election's technical performance. Pekka Venhamo was not at all sure that SMP members know how to vote yet.

Party Secretary Aaro Niiranen got his credentials unanimously after the deputy chairman display. For lack of a candidate, the opposition was not able to do anything but show its displeasure.

Representative Pentti Kettunen's name was mentioned, but after letting a couple of supporters praise himself, Kettunen declined the honor. He did, however, clarify that the declining was not meant forever. In some other situation he promised he might well be available for use as party secretary.

#### "Start-up Money for Students"

In his political review for the party members, Chairman Pekka Venhamo testified with a cabinet-member's glibness to the good that had been done in parliament

in two years, even though their parliamentary companions had tried to take the credit for SMP achievements.

Vennamo let it be understood that without Urpo Leppanen and Pekka Vennamo families with children, the unemployed, pensioners, and small enterprises would still be empty-handed.

Only after the SMP came into parliament has the position of families with children been affirmatively dealt with, insisted Vennamo.

He proposed a start-up payment for children starting school to the party congress. According to Pekki Vennamo, 500 markkaa would be an appropriate start-up sum. He affirmed that initially it would cost the government only 30 million markkaa a year. Taxes would not have to be tightened because of this, he claimed.

Nothing in Vennamo's moderate platform suggested a desire on his part to give up the minister's portfolios, though he "seriously" warned his parliamentary companions not to tighten the screws too much during the budget negotiations.

#### "Beware of Cliques"

Pekka Vennamo directed the real warnings to his own people. He made warnings about cliques, voting and power struggles.

After the municipal elections power struggles appeared in certain places and Pekka Vennamo wanted to prevent the behavior from becoming habitual to the party.

Vennamo does not consider voting to be democratic. He claimed that voted decisions are not lasting.

He also emphasized that the SMP must not be a security-job for anyone, a method for filling one's own pocket, or a means to satisfy one's craving for individual power.

The sharpness lacking in Pekka Vennamo's speech was amply made up for by Veikko Vennamo, who kept up the party's old speech traditions during the evening festivity.

Veikko Vennamo demanded a healthy cleansing for the country's leading positions and supported the Soviet party leader's new platform.

"We have always been against the excessive serving of alcohol in public and official functions. We gladly greet the support given us by the good example of the Soviet leadership in these matters."

Woman Elected Deputy Chairman

Helsinki HELSINGIN SANOMAT in Finnish 5 August 85 p 10

[Article: "Candidate Election Brought Feelings to Surface. Tears and Accusations Flew in the SMP"]

[Text] Hyvinkaa (Anneli Sundberg)--Finland's rural party's candidate elections ended in tears and accusations on Sunday in Hyvinkaa. Representative Helvi Koskinen who lost the women's competition accused the party leadership of hijinx politics and powerblocking.

After almost two days of chaos, Helvi Koskinen, a mother of nine from Uusimaa, was forced out of the party deputy chairman spot by representative Lea Makipaa, an economist and mother of one from Satakunta.

After all this, Makipaa proved to be chairman Pekka Venhamo's favorite as well. Pekka Venhamo managed to move Makipaa into the party's leading troika without an election, which made Helvi Koskinen, who had held on to her position tooth and nail, burst out in accusations reminiscent of old Venhamo.

"Powerblocking took my position from me."

"This is hijinx politics."

"This is wrong."

"I would rather had lost in fair election."

Helvi Koskinen found reason for her accusations from the fact that two old party veterans even went to speak on her behalf. Bernard Nyberg from Sipoo went to announce that nothing--neither god, the tsar, nor the SMP head--would prevent him from supporting Helvi Koskinen.

The convention techniques of Koskinen supporters nevertheless turned out to be weak enough that chairman Pekka Venhamo could interpret their proposals as invalid for a vote.

Still, Helvi Koskinen did not burst into tears as did the third competitor for the women's position, representative Vieno Eklund, whose feelings of disappointment came out in sobs at the speaker's lectern.

"Makipaa Obvious Favorite"

After the election which had clearly refreshed the party congress representatives Pekka Venhamo defended his action, saying that a vote would have led to the same result in any case. Measured by the speeches and shows of support, Makipaa was clearly the congress attenders' overwhelming favorite for the leading threesome.

"We would have gained nothing by a vote, only wasted several hours of meeting time," explained Pekka Venhamo.

Father Veikko, who had watched the situation from the sidelines, free of congress worries, winked at the questioners and smilingly said that the boy's decision would hold in court if necessary. "Formally, he was in the right... otherwise...oh well..."

Chairman Pekka Venhamo and the other deputy chairman Kalle Palosaari renewed their credentials already on Saturday, but the women's position had to be left waiting. On Saturday the women's convention still supported Helvi Koskinen, but when the congress got started on Sunday an hour late, the women as well had ended up behind the only correct candidate, Lea Makipaa.

Manager Pirkko Rahkila-Rissanen explained the women's turn-about by the fact that SMP women are not like the large parties' "feminists who are lacking something."

"We take into account even the men's opinions."

#### Eagerness in the Parliament

At the party congress which ended Sunday, the election of the deputy chairman overshadowed everything--parliamentary politics as well as the labor minister Urho Leppanen's troubles over millions.

Trust in Leppanen did not seem to weaken at least among the rank-and-file men and women of the SMP. There were back-slappers, and the hall murmured affirmatively when Leppanen, in reviewing the minister group's achievements, belittled the overdrawn allowance which had gotten so much publicity.

Leppanen explained that the labor ministry's six-million overdraft was only one of 233.

"For instance the Foreign Ministry's salaries were overstepped by 9 million and police salaries by 19 million."

When it was time to discuss SMP future politics, there was only a handful of the faithful left in the hall. The majority of the clearly rejuvenated and newly bourgeois "forgotten folk" had streamed into busses, trains and private vehicles immediately after the candidate elections.

The ministers received such political provisions from the congress that they can sit in parliament or leave it, as they wish. Both defiance and a wish for harmony was present in proper proportions in the public parliamentary-policy statement.

The party congress stressed the first alternative of the SMP is to continue the current parliamentary cooperation until the end of the election term. The present parliamentary base is better for Finland's people than other alternatives, the party congress noted. In order to support their ministers in the budget committee, the party congress demanded that SMP goals must be sufficiently taken into account.

As its short-term goals the SMP demanded for example that the Rinne model and the start-up payment for entrepreneurs be made into permanent, parliamentary forms of support.

In his energy policy review SMP was against the building of new nuclear power plants and demanded that in the future they be decided on by a plebiscite. In addition the party congress demanded an end to the deterioration of the roads, and new growth for the countryside.

#### Moderate Profile Presented

Helsinki HELSINGIN SANOMAT in Finnish 6 Aug 85 p 2

[Editorial: "The Transparent SMP"]

[Text] The rural party's political snarling and master-chasing are only a memory. In the party congress at Hyvinkaa the SMP portrayed a restrained parliamentary party which wants to be available even after the next parliamentary elections when it is time to pass out the ministers' briefcases.

The re-elected chairman Pekka Venamo clearly understands what the parliamentary position means to a small party. It is a key to publicity, and through that route, to support. Also since the SMP has to in part thank the social democrats' sympathy and patience for its parliamentary seats, it can afford little of the traditional public-statement fanaticism.

But a dog does not lose its fur even though it is washed and clipped. The SMP also seems to have trouble giving up its populist traditions. The only difference from the past is that the brunt of the demands has been partly moved over to wholly uncontroversial issues such as the condition of the highways. Everyone wishes for better roads, not just the SMP.

In the same spirit the party congress also decided to start opposing new nuclear power plants and demanded a plebiscite on the issue. At least according to opinion polls a large percentage of the voters seems, for now, to view nuclear power suspiciously--the number is, however, diminishing.

This type of play for political popularity does not in any way fit the picture that the SMP wants to present, of a responsible parliamentary party. Especially with regards to nuclear power, a plebiscite would just be a way to avoid political responsibility for energy management.

#### Editorial Roundup on Congress

Helsinki HELSINGIN SANOMAT in Finnish 6 Aug 85 p 9

[Text] SMP Begins Election Battle

The neutral HAMEEN SANOMAT which is published in Hameenlinna sees the SMP as having aimed for the parliamentary elections to be held in a year and a half, in its party congress held in Hyvinkaa this weekend.

"Bait was thrown out for the voters in preparation, and in the old way there was raging against other parliamentary parties over the break-up of general unity 'if the others do not come toward the SMP sufficiently.' This indicates that the party leader Pekka Veniamo cannot at least be accused of excessive modesty."

"Whatever themes the next election battle may be fought under, it is at least certain that the Veniamo supporters will try to milk it for every drop. One of the 'million dollar questions' in current domestic politics is whether they will go so far that they will jeopardize parliamentary cooperation after the 1987 elections."

#### Disintegration Near Again

ETEENPAIN (Social Democrat) from Kotka predicts that history will repeat itself in the SMP and suspects that disintegration may again threaten the party. The paper reminds us that "the SMP membership is made up of a patchwork of people who probably have only their protest-mentality in common."

"Also, under the auspices of the favorable wind, individuals have joined the group for whom personal power is more important than the subject of the 'forgotten folk.' The problem is real for party leaders, because there are always seeds for party disagreement in this sort of thing. The past party disintegration is still fresh on Veniamo's mind."

"The SMP has other problems as well. The people are unused to the management of practical politics on the municipal level, and yet the carrying of parliamentary responsibility is an obvious thing; taking it on creates problems for people who have ridden the crest of the protest wave. Pekka Veniamo has so far skillfully managed his group, but the restlessness grows as the next elections draw near."

#### SMP Backout from Parliament

LAPIN KANSA (neutral) which comes out in Rovaniemi guesses in its turn that the budget demands listed in the SMP party congress are only an honorable way to back out of parliamentary responsibility, when the party's promises are badly contradicted by the achieved results.

"The art of making politics is already known at the SMP, and now it is an obviously good time to finalize budget demands that appeal to the people but whose realistic chances of passing are nil. Through this a way is found for backing out of parliament, joining the opposition, and thus toting up points for the next parliamentary election."

12688

CSO: 361/xxx149

POLITICAL

FINLAND

PAPER REVIEWS SIPRI BOOK 'POLICIES FOR COMMON SECURITY'

Helsinki HELSINGIN SANOMAT in Finnish 7 Aug 85 p 22

[Article by Kari Mottola: "Safe Paths on the Atomic Weapons Map: SIPRI Work Seeks Models for a Safer World than the Present One; Review of "Policies for Common Security," Stockholm Internal Peace Research Institute, Taylor and Francis 1985]

[Text] One of the great tasks of international discussion is to find a common basis for international security policy. The nations have unanimously recognized that in the nuclear era it is their joint goal to remain alive together. Yet in seeking their own security within this framework, they cause insecurity to others.

The unofficial international commission working under the leadership of Olof Palme had developed for this purpose the concept "common security," which it defined as indispensable: "Nations can no longer seek security at the expense of others; it can only be attained through cooperation."

The Stockholm International Peace Research Institute has published a book in which an attempt is made to give content to the concept of common security and to construct a program of action on this foundation. "Policies for Common Security" is based on an international seminar organized by SIPRI, the material of which has been edited and provided with a foreword by professor Raimo Vayrynen.

Disarmament and National Relations

Vayrynen observes in his foreword that common security is not a radical idea; in it are combined real politik and international idealism. The writers do in fact accept as a general starting point the fact that military factors remain central in a world of nationalistic states. They look for the materials to build common security first of all in arms control and disarmament.

They take as their model the nuclear threat, the cornerstone of the present international security system. The situation in which the most important hindrance to war is the threat of destructive nuclear retaliation cannot be a permanent guarantee of world peace.

The nuclear threat is self-contradictory in that it requires that both super powers have extreme suspicion of one another. But the greatest weakness of the nuclear threat is that it has not prevented the nuclear arms race from spreading into more destructive and efficient weapons systems than before, which undermines the basic idea of the nuclear threat by creating the possibility of a paralyzing first strike.

Some of the writers indeed consider the main task of arm control to be to achieve such reductions and limitations as [those proposed by] the American Stanley Hoffmann, that will guarantee a return to the classical or "minimal" threat. In this case each side will have a clear ability to retaliate, but not the capability of waging selective nuclear war or of a first strike.

West German Egon Bahr--one of the chief ideologists of common security--also sees that the goal of cooperation is gradually increasing nuclear arms control, limitation, and finally reduction. In this way, security is "organized together with the other side," as Bahr defines common security.

The Norwegians Sverre Lodgaard and Hohan Jorgen Holst for their part propose a technical way to improve security. They elaborate the nuclear-free zone proposed by the Palme commission, according to which short-range nuclear weapons would be withdrawn from the border area between the two military alliances in Central Europe. In this way the threat of war resulting from trigger-happiness is reduced and danger situations in possible crises are avoided.

#### "Soft" Factors and Hard World

However, Lodgaard also presents another angle when he speaks of an optional or "non-provocative" defense policy. Even though armament cannot be eliminated, the image it creates in other countries should be changed by using the kinds of weapons and defense doctrines whose defensive purpose is clear and which cannot be used for attack.

In his foreword, Vayrynen emphasizes that security cannot be built only on "hard" factors, weapons arrangements and regulations. "Soft" factors, the whole cultural, social, and psychological influence of armament, must also be taken into account.

The SIPRI book reflects throughout how deeply and pervasively armament influences international relations.

Armament defines the international atmosphere; it creates concepts and doctrines of international politics; it provides targets and measuring rods for national loyalty; and in the end, armament governs the expectations and world-view of individual citizens.

Armament is a unilateral policy, seeking security through one's own forces. The United Nations and the Conferences on Security and Cooperation in Europe seem powerless against it. This has happened in spite of the fact that the UN and CSCE have achieved great diplomatic accomplishments in creating rules

envisioned as a common basis for peace and security: the UN Charter and the CSCE final document.

Although the authors of the SIPRI work, while dealing with common security, find their way also to the "soft" factors, they have difficulty in creating from them any kind of tangible--if stale--target such as arms control.

The model of opposition should be replaced in the minds of nations and people with common values, and distrust and secrets [should be replaced by] trust. Correct information about armament and military matters must be obtained, but on the other hand too much information, "transparency," may seem threatening.

The importance of military factors and weapons in international relations should be reduced, but this clearly cannot happen without deep changes in ways of thinking and in threatening images. From this viewpoint, the authors of the SIPRI work show that in building security we must start just as much from the people's minds as from the hard world of weapons.

One requirement for changing ways of thinking is a reduction in the rigid hierarchy of the international system. Small and non-aligned nations may have significantly more to offer to international security than is now possible for them.

In spite of an abundance of thoughts and explanations, the SIPRI book shows that it is easier to launch a new slogan and describe the problems it was created to solve than it is to give it tangible content and to construct a practical plan of action. The writers move about in the no-man's-land between old and new thinking, but mostly on the old side. But they do offer threads which can be grasped for further development.

9611

CSO: 3617/155

POLITICAL

FRANCE

MITTERAND GETS TOOL TO BLOCK FUTURE OPPOSITION REFORMS

Paris LE FIGARO in French 8 Aug 85 p 4

[Article by Pierre Pellissier]

[Text] In secret last week, the council of Ministers gave the French president the means to limit reforms of the post-Socialist era by extending the list of public sector executives whose appointments he can block.

A few months--or a few weeks--away from the legislative elections, the Socialist government is putting into place the practical means which the French president will have available in the future to block the flow of reforms which his opposition may try to bring about, legitimately and mandatorily.

The Socialists are building these safeguards in semi-clandestine fashion. It was on 31 July 1985 that the Council of Ministers thus re-examined the list of "appointments to executive positions in some public organs, public enterprises, and national companies."

But the government's spokesperson, Mme Georgina Dufoix, giving account of her colleagues' deliberations, had carefully failed to mention the topic. It was necessary to wait for the JOURNAL OFFICIEL of 7 August to discover this sweeping maneuver which, in the future, could singularly complicate the task of the new political and parliamentary majority.

These provisions in fact oblige the government, regarding all appointments to positions included on the list as well as those of ambassadors, prefects, general officers, academic rectors, state councilors, and so on, to use the procedure of decrees which must mandatorily be signed by the French president.

A Series of Questions

This is a superb maneuver, then, which will tend to brake the fervor of the future government originating from the current opposition and prevent it from replacing in key positions the men known for their loyalty to the Socialist regime.

A series of questions flow from this decision:

1. Is this maneuver legal?

Unquestionably, yes. And the opposition has no recourse against a decision conforming to Articles 13 and 21 of the Constitution, all the more so as there are precedents since the current list comprising 149 companies and 160 positions merely updates Decree No 67,152 of 22 February 1967, itself amending Decree No 59,587 of 29 April 1959. In sum, the maneuver is very simply the application of Article 13 of the Constitution and of the ordinance of 28 November 1958.

2. What is its scope?

It was seen that the decision taken at the end of July was a mere updating. There disappeared from the list, then, some positions which today no longer fall under the jurisdiction of the Council of Ministers--for example, presidents-general managers of the audio and visual media are now appointed by the Higher Authority [of Audiovisual Communication], an organ created after 1981. In contrast, all the enterprises nationalized after June 1981, whether banks, industrial units, or others, are now included on the list.

The name of the game, then, is to "protect" those appointed to office by the Socialist government when they replaced the former owners or their surrogates.

3. Can the system work effectively?

That is not obvious. In truth, two very different scenarios are possible. Either the current opposition will fail to win the legislative elections with a sufficient margin and the parliamentary majority would then be heterogeneous, diverse, and unstable. In that case the president, with this famous list in hand, would have the means to continue what one will dare to call "the Socialist experiment." Or, the opposition would be a mostly majority opposition and would then be able to push "its" government to impose its will on the president since the opposition would then embody the country's political choice.

4. How much risk is involved?

An enormous amount. Even if Gen Charles de Gaulle and Georges Pompidou had paid attention to the way the list was drawn up, these provisions were never of practical use since the first three presidents of the Fifth Republic had always enjoyed a parliamentary majority loyal to them while the fourth president of the Fifth Republic, Francois Mitterrand, won his wager in June 1981, which brought into harmony the new presidential and the new parliamentary majority.

Should a different majority emerge from the forthcoming legislative elections, it would then be the first time that such a provision would have applicability.

And in that case it would be necessary to view the situation clearly, to imagine a government wishing to appoint its trusted men but being unable to set aside their predecessors because of the French president's attitude.

### Crisis Situation

That is because the president could block appointments in the public sector.

To be sure, this maneuver could be circumvented for enterprises denationalized right away, but on condition that the French president be willing to sign the denationalization decrees.

In the opposite case there would be an immediate stalemate, and thus conflict, for those companies that remained in the public sector. But not everything would be done in 3 weeks or even 3 months and, at any rate, the denationalization measures would not affect some enterprises in the public sector which enjoyed a monopoly position.

In this last hypothesis, we would then have a head of state striving to conserve the Socialist reforms which the majority of the French people would no longer want to hear about. And this against the advice of the government which, according to Article 20 of the Constitution, "determines and conducts the nation's policy."

There would then occur a blocking of appointments.

This is explainable if not sustainable in case of a questionable or narrow or at any rate modest victory of the opposition. But it would be intolerable if the country were to vote without ambiguity, for then the head of state would go counter to the national will as reflected in the elections.

This would create an authentic crisis situation.

Its only solution would be found in the scope of the opposition's electoral victory, an essential key to break the impasse. And frankly, Francois Mitterrand gives the impression of wishing to prepare for a future which no longer belongs to him even if he is decided not to remain "inactive."

### Juppe: Subordinate Maneuver

For Alain Juppe (RPR [Rally for the New Republic]), what is involved is an "attempt by the French president who is striving to give himself as of now the means of blocking the new majority's policy in the future. Beyond this subordinate maneuver," the deputy to the major of Paris noted, "it is important to stress the profound difference which distinguishes our political conceptions. For Francois Mitterrand and those who still support him, it behooves the state to direct everything, including the management of national enterprises. In our eyes, contrariwise, it is necessary to give to the nation and citizens the freedom to direct and produce without interference by the political authority. It is this viewpoint which the legislator, should the general electorate so decide in March 1986, will have to impose on Mr Mitterrand's rearguard actions."

Indeed, it would be up to the new majority, according to Alain Juppe, on the basis of the law of nationalization and a reform of the management methods of nationalized companies, to "counter this delaying tactic."

At any rate, if the head of state persisted in these attempts to block the reforms, then in Mr Juppe's view "it is quite obvious that the problem of co-existence would be raised in entirely different terms."

Rossinot: Prospective Difficulties

For the president of the Radical Party, Andre Rossinot, "it is not very republican to modify the rules of the game a few months before the elections. In any case, it proves that the head of state is seeking to retain the maximum amount of authority. We anticipate difficulties for the future majority in using its powers to fulfill the mandate given to it by the voters in the framework of coexistence."

Debre: Difficult Coexistence

"What one decree does, another decree can undo. The question is to know whether we shall have a flexible or a rigid new majority. One cannot run for election saying: Vote for us because we shall not govern. But it is obvious that co-existence will be extremely difficult," Michel Debre noted.

2662

CSO: 3519/273

POLITICAL

FRANCE

### ILLEGAL TAMIL IMMIGRANTS ENCOURAGED BY EAST BLOC

Paris LE FIGARO in French 7 Jun 85 p 40

[Article by Jacques Lesinge: "The Tamils Are Living Among Us"]

[Text] It is no longer a cry of alarm but rather the disillusioned plea from Metz by Divisional Commissaire Michel Poggi, head of the eastern sector of the air and border police. "All European countries must get together. We must stop playing pingpong with the refugees."

In that inhumane game, Michel Poggi too often is a participant and he knows that in the future, he is going to have to set his net again in the Moselle department along the French German border, knowing full well that the next day the same men will try to cross the border illegally, a little farther down, with the same pack on their back.

These Tamil refugees, members of the Hindu minority in Sri Lanka (formerly Ceylon) have been demanding autonomy for the northeast part of their island, struggling against the Sinhalese majority for several years. Recently, violent confrontations resulted in six deaths near Trincomalee (See LE FIGARO of 3 June).

Fleeing their country and the attacks against them, the Tamils first appeared at the French border in 1978. At the time, there were only a handful and they declared themselves political refugees. Since then, things have changed. The Tamils are arriving en masse at our borders; recently accompanied by women and children.

By Subway

Coming from Colombo, the capital of Sri Lanka, they go through Moscow. The Soviet authorities "obligingly" grant them tourist visas. From Moscow, the Tamils continue their journey to East Berlin, where, there too, they are greeted with an unhealthy "smugness," because their hosts know full well that the "burden" is only in transit and that it is going to fly on to the West without hesitation and without difficulties, dragging along behind it its problems and complications.

There is nothing easier, actually, than to cross from East Berlin to West Berlin if one does not belong to a Soviet bloc nation; all one has to do is take the subway. The West Germans, just like the French, American and English forces stationed in Berlin, have always refused to recognize the existence of the wall which separates the city into two sectors. Therefore they refuse to make border checks and because of this the Tamils take the subway in East Berlin at the Zoo station and, with no problems, enter the West. From there, since Germany is hostile to them and forces them to leave, they go to Holland, Great Britain and especially to France, crossing at the border in the department of Moselle.

In August 1983, their spokesman, Mr Ratmanajah, living in an abandoned hotel as a squatter, at 10 Rue Lebouis in Paris (14), told me, "France is number one. It is the number one democracy in the world."

In Metz, Commissaire Poggi knows something about that. "The main thing," he says, "is to keep the Tamils from entering. If they succeed in crossing the border, they have won, they will be able to stay, fooling the government authorities."

With 800 men, Mr Poggi watches the borders from the Ardennes to the Jura, but the hot spot is the stretch of 270 kilometers of border located in the department of Moselle, which 36 policemen continually patrol while 95 others remain stationed at fixed places. In 1983, they arrested 144 clandestine Tamils and 17 German and Sri Lankan refugee smugglers, who served as guides. Last year, the figure climbed to 341 Tamils and 41 "smugglers," and from the first of this year to 30 April, the figure reached 79 refugees and smugglers.

And Poggi, being honest, admits: "We intercept only 10 to 15 percent of these clandestine persons. The only consolation is that we know that we are doing a good job because the smugglers, on account of the risks, have raised their rates. From 200 marks the price of a passage has risen to 300 (about 1100 francs).

#### Two Cemeteries

Yes, a good job. It is nevertheless true that almost 4000 Tamils enter France secretly each year. This is "troubling" because if, in 1983, the prefecture of police estimated their number in the capital at 168, the minister of the interior put the figure at 2564, Catholic Relief counted 3000, the CFDT [French Democratic Confederation of Labor] went as high as 10,000 and the Tamils themselves admit to 8,500, plus 3,000 Sinhalese.

"But what do you expect," Poggi laments, "each day there are new schemes to cross the border."

For a long time, the favorite crossing places were the two cemeteries, the Jewish and the municipal one in Sarrebruck, located across from each other on either side of the border in a wooded area. You enter in Germany and come out in France. The border is marked only by a gate, with holes in it, 1.5 meters wide. Yesterday, the zone was placed under surveillance. The Tamils took

the train instead. They hid under false ceilings or followed the tracks on foot to Metz, where they hid in the freight station, waiting for a smuggler to buy them tickets. With this "Open Sesame" in their pocket, they hopped aboard the Paris train just as it was leaving.

#### "Economic Refugees"

The refugees rely on the services of "organized networks" which find taxis for them. The vehicle drops them off near the German border, the driver takes off his special taxi licence plate and his taxi light, enters France and goes to pick up his proteges, after they have hiked crosscountry over the "line," which is not very difficult. From there, they head for Metz or Forbach.

Commissaire Poggi and his men know of course all these techniques. But what can they do; "I would like to have twice the staff," says Poggi with a defeatist amile. And yet, he knows that soon the work will probably be even harder because the Dutch government has just announced its intention to deport 3,500 Sri Lankan refugees currently living in its territory.

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CSO: 3519/270

POLITICAL

PORUGAL

PS-PSD ALLIANCE IN LOCAL ELECTIONS DECRIED

Lisbon O DIARIO in Portuguese 5 Aug 85 p 2

[Article: "Alliances Which Enlighten and Reveal"]

[Text] The alliance agreements signed these last few days by the PS and the PSD for the upcoming local elections, in municipalities which have benefited from APU management, are already constituting a powerful factor to enlighten the electorate. Faced with the demands of the electoral calendar, the two parties thus find themselves forced, sooner than they would like, to contradict in practice the broad outlines of their respective campaigns for the October legislative elections.

The first great lesson to be learned from these agreements between the partners of the defunct "major majority" is the confirmation that the parties of Mario Soares and Cavaco Silva continue to converge toward the same anti-democratic strategy which has so often brought them together, whether in government, in the Assembly of the Republic, or in the localities. The cases of Loures and Setubal, both already well known, show that neither the alliance of the PS with the PSD following the 1983 elections was the "unfortunate highway accident" for which some members of the ex-secretariat are now asking for the voters' understanding, not that the denunciation of the vices and misdeeds of Soarism, which is now being heard from Cavaco, has behind it anything other than the rivalry of candidates for the leadership of the same anti-25th of April policy.

In this perspective, the anti-APU alliances are clear manifestations of the political dishonesty which characterizes the principal leaders of the PS and the PSD.

As for the PS, it would naturally be a sign of unforgivable naivete to try to demand from Mr Mario Soares explanations of such unworthy conduct. The same does not apply, however, to those Socialist militants who, having kept a safe distance from the policy followed by their party's leadership, now rise up, on the eve of the elections, to give once again their contribution to the electoral machinations of the secretary-general of the PS. As for these latter, if they aspire to be anything other than the pap and cakes with which fools are deceived [reference to a popular Portuguese proverb], it would be a good idea for them to explain how they reconcile the alliances of Loures and Setubal with the "two perspectives, two projects and two strategies which are markedly different," which they say separate the PS and the PSD.

On the PSD side, the spectacle is not more edifying. This past week, the question of the policy of alliances served to show just how fictitious are the seriousness and the severity that Mr Cavaco Silva is trying to give to his political speech. The solemn declarations, made at Thursday's press conference, that the PSD would never again ally itself with the PS and the stammering way in which it immediately ate its words to allow the repetition of PS-PSD agreements in A. managed localities, reduced the current head of the PSD to the dimensions of his immediate predecessors. Before the obvious delight of Mr Pinto Balsemao, who, with ostensibly ironic expressions, underscored the most topsy-turvy answers, Mr Cavaco Silva found himself forced to defend that which he had considered undesirable a few moments earlier: alliance with a party, the PS, "Which wants a lot of State to distribute a lot of jobs to militants and sympathizers."

By what is known about it, the agreement established between the two partners in Loures could not prove a better accusation of political dishonesty made against the respective leaders. In order to try to put an end to a management marked by the capacity to realize and solve local problems through honesty and competence, the PS and the PSD are sending to Loures two figures without the slightest experience in local management, but with backgrounds filled with acts of subversion or discrediting of the democratic regime. In the tandem of Mssrs Jose Miguel Judice and Miranda Calha, the two parties are launching against the population of Loures a true fascist-Soarist front, led by an ideologue of the extreme right and one of the main distributors of profits and favors to Mr Mario Soares' clientele.

So it will be against the naked, raw reaction and against the smoke (or flames?) of the corruption encouraged by Soarism that democratic forces will wage the coming electoral battles for the localities, as well as for the Assembly of the Republic, in Loures as well as in the rest of the country. In any case, the outcome of the clash is in the hands of the voters. So may they come to October duly enlightened.

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CSO: 3542/239

POLITICAL

PORUGAL

PS-PPM ALLIANCE SAID TO BE 'INcredible'

Lisbon A TARDE in Portuguese 13 Aug 85 p 1

[Editorial by Margarida Borges de Carvalho: "Backbone"]

[Text] The "alliance" of the PPM [Popular Monarchist Party] with the PS is far from being an anecdote. It is a serious act which has to do with the backbone of a lot of people.

Yesterday when Dr Almeida Santos was affirming the harmlessness of the future deputies "of the PPM" in relation to the republic, he was hitting the nail on the head. In so doing, Dr Almeida Santos, from atop the fabulous platform of "candidate for prime minister," was trampling not on his monarchist bit partners (who enjoy being trampled on), but on several thousand Portuguese who insist on being monarchists and who will also insist on having a backbone.

That is why one cannot chalk up as a mere anecdote the fact that there are people who, calling themselves monarchist leaders and leaders of monarchists, lend themselves to be considered as tasteless, colorless, and odorless deputies of the most republican of all the Portuguese parties, to which they promise, in exchange for two seats in Parliament, "not to call into question the republican principles of the constitution."

One would understand, one would accept, the entrance of monarchist deputies into the PS lists if two circumstances were to cumulatively occur, to wit: if such deputies were free from defending their "label" and if, besides that, they could say that they would be free to defend other ideas, in accordance with what they have stated throughout their political life.

Such is not the case. As a monarchist, Dr Santos has already classified them as inoffensive (how horrible!). And what about the rest? Ribeiro Teles and his party have always been antinuclear; the PS is the most pronuclear of all Portuguese parties. Ribeiro Teles calls for regionalism; Almeida Santos is the most thoroughly centralist nationalist that the Third Republic ever gave birth to (isn't that right, Dr Jaime Gama?). The PPM was the first party to talk about the referendum; the PS was the first to deny it. The PPM signed the AD's constitutional revision bill; the PS shot it down. Etc., etc.

Nothing, absolutely nothing can justify this incredible alliance.

There were times when the PPM affirmed itself by the clarity of its positions and kept an upright political position and a doctrinal coherence which were enviable. However, through the past few years we have witnessed the deterioration of a laboriously constructed image and the slow death of the appealing organization at the hands of its historic leader.

Many people blamed those who internally opposed Ribeiro Teles y sus muchachos [Spanish: "and his boys"] (the expression is from a northern PPM leader) of acting out of personal motives. The alliance with the PS at least has the advantage of showing all the people that it was already a question of deep political rifts. As people, Ribeiro Teles y sus muchachos do not deserve rifts. They are what they are.

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CSO: 3542/239

POLITICAL

PORUGAL

PRD FORMATION: FROM 'UNGOVERNABLE' TO 'UNTENABLE' SITUATION

Lisbon O DIABO in Portuguese 16 Jul 85 p 2

[Article by Jaime Nogueira Pinto: "Retreating Forward"]

[Text] With its inevitable tendency to run off in the wrong direction the present system is confirming, in its pathetic fundamentalism, the rules of self-destruction. Having already proved itself almost ungovernable with the existing party situation, the appearance of a new party with the characteristics of the PRD (Democratic Renewal Party) will make it definitely untenable.

In fact, with the "new" party we will have a panorama in which two parties--the PS (Socialist Party) and the PSD (Social Democratic Party)--will each make up about 25 percent of the electorate and the remaining CDS (Social Democratic Center), PCP, and PRD the other half among them, with greater or lesser percentages.

If to those quantitative elements are added qualitative elements in terms of political ideology, tactics, and function, we will have, after an election, an almost infinite number of possibilities for coalitions "to the left" or "to the center", equated in the PRD pivot. It is almost certain that three parties will be needed to constitute a majority. Now, from a "center bloc" renewed with PRD (PS-PSD-PRD) to a Democratic Alliance enlarged to the left with the very same PRD (CDS-PSD-PRD) to a shameful "popular front" (PRD-PS-PCP) and almost all the other combinations of three in five possible and imaginable.

Those who have any memory of the highly complicated crises for forming governments in a simplified scenario in which two parties were enough to constitute a majority can imagine what the future will be. Discussions over the division of posts--of ministers, secretaries, sub-secretaries, administrators--will be animated by alternative negotiation and definition of the apex of power. Since the nation counts for very little and ethical-political principles for even less, everything will happen in terms of personalities, tactics, and short-term maneuvers, with a very wide margin of oscillation and a multiplication of the veto power of small groups and feudalized clienteles. In sum: a caricature of the system will tend to represent it in the plenitude of its impotence and unworkability.

Even the prospect of escaping all this by means of an arbitral power designated within the System--an elected President who would carry out a "constitutional coup d'etat"--seems to be fading now that the probable candidates have expressed the greatest respect for the legalisms: Dr Soares--because he is the most authentic representative of the System; Engineer Maria de Lourdes Pintassilgo--because being a wolf, she doesn't need to wear wolf's clothing; Professor Freitas do Amaral--because he has already affirmed that he will not institute a referendum and will accept, albeit with some displeasure, the parliamentary model that he encounters.

The advantage and the frustration of these analyses are that things are as they are, but we are very much like doctors who make diagnoses and in a stable clinical situation can only say that there is nothing to be done but await the outcome--the death of the patient. For our part, the patient (the System) can no longer be cured or helped; therefore it only remains for those interested in these problems to think about the "aftermath" and "higher forms of struggle".

12942  
CSO: 3542/229

POLITICAL

PORUGAL

FREITAS DO AMARAL: NO SUPPORT FROM ANYONE

Lisbon DIARIO DE NOTICIAS in Portuguese 9 Aug 85 p 4

[Text] Freitas do Amaral has advocated a solution of the "Gaullist" type for Portugal as a way of strengthening the authority of the state "in the service of rapid economic and social development." In statements to the Spanish magazine CAMBIO 16, the presidential candidate said that the only aspect of "Gaullism" he does not advocate is its emphasis on a strong president.

"I feel that it is necessary to preserve a certain equilibrium and that political initiative at the government level must come from the prime minister, not from the president of the republic, who must possess moral authority and be the one who defines the great national objectives," he said.

Freitas do Amaral described his candidacy as "national, independent, and above the parties," saying that it "seeks to unite a majority of all Portuguese who identify with the reformist program I will present to the people."

In his opinion, the candidacy of Mario Soares represents "preservation of the socialist state--paralyzed and in crisis," while that of Maria de Lourdes Pintasilgo is "neorevolutionary and aimed at recovering the spirit of the April Revolution and continuing the building of socialism."

He added: "There is also a democratic reformist candidacy with a liberalizing ethical orientation, which is the one I represent."

In Freitas do Amaral's opinion, the upcoming legislative elections "are going to be neither constructive nor positive for the Portuguese people," and he added that his "public stand has been one of skepticism concerning the benefit of holding early elections at this time."

He said: "I feel that after the presidential election, because of the polarizing effect that it will inevitably have on Portuguese political life, it will be possible, if I am elected, to form a coalition comprising the PSD [Social Democratic Party] and the CDS [Social Democratic Center Party] and capable of facing up to the country's problems."

Concerning support for his candidacy by the PSD and the CDS, Freitas do Amaral said that "for now, no party has stated its position, and I am not supported by anyone, but neither am I going to ask for support."

He added: "The CDS and the PSD are free to decide what they consider best in that connection."

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CSO: 3542/237

POLITICAL

PORUGAL

COMMENTS ON PRESENT 'PRECOALITION CLIMATE'

Lisbon DIARIO DE NOTICIAS in Portuguese 10 Aug 85 p 6

[Editorial: "Precoalitions"]

[Text] With varying degrees of difficulty and varying degrees of internal warfare, almost all the parties have now completed their respective lists of candidates for Parliament and the programs that they will defend throughout the election campaign. There are no surprises in either case, especially since, if we except the appearance of the PRD [Democratic Renewal Party], nothing has changed since the campaign 2 years ago, when four isolated parties faced each other in a clear departure from their previous tendency to form preelection coalitions. As was true then, what we have now is what we could call a precoalition climate--that is, a climate in which each party intends to test its own capability without mentioning its possible future allies. It is as though each one thought it had a chance of winning an absolute majority.

For anyone holding to the strict logic of the system, the situation seems somewhat paradoxical. As is known, Parliament was dissolved because the coalition making government possible broke up. That being the case, the upcoming elections are intended--obviously and in the mind of any informed citizen--to facilitate the formation of a new government. Despite that, who will be able to imagine, as he drops his ballot in the ballot box, what kind of government is supposed to result from an approach like this? No knows for sure, and if we ask the parties, their answer will be that they will base their policy of alliances solely on the election results. The most they will do now is indicate the parties with which they will not form an alliance.

In this situation, what alternatives for government after October seem likely? Let us rule out the alternative that some parties place at the head of the list, since it is manifestly improbable that any of them will be able to form a majority government on its own. Let us also discount the extreme hypothesis that there will be another minority government, considering the many vicissitudes it can be expected to face in a Parliament that will probably make any coalition impossible. If we consider, on the one hand, the distribution of votes in prior elections, which has not varied significantly, and, on the other, the intentions already announced on this subject, we are left with two possibilities that have not yet been ruled out: a coalition by

the PSD [Social Democratic Party] with the CDS [Social Democratic Center Party] and a coalition by the PS [Socialist Party] with the PRD. It is a fact that neither the Socialists nor the Fanists have explicitly rejected any possibility, except that the PS refuses to govern together with the PCP. But Cavaco Silva is making it a point to rule out a return by his party to the center bloc, and the CDS, if we consider the line its chairman has been following, is probably also not very willing to make any alliance with Almeida Santos. The same can probably be said about the PRD, despite Eurico de Melo's suggestions--which for that matter have already been amended, both by himself and by Cavaco Silva.

Will we therefore have before us the scenario, being proclaimed by some, of a polarization tending to isolate the PCP? At least for the moment, the situation does not seem to be resolving itself into such a linear equation. Because while it is true that on the right, the strategy of the Social Democrats makes sense only if it is aimed at governing with the CDS in conjunction with a victory by Freitas do Amaral in the presidential election, the situation on the left is that the gap at that point has not been closed. Moreover, one need only look at the way in which the PRD leaders are cultivating other possibilities for alliances in Parliament and, above all, in connection with the presidential election, which is when, for well-known reasons, even more obstacles will arise to keep the hypothetical bloc on the left from functioning in parallel with what will certainly be happening on the right, no matter how many voices in the PSD are raised in protest against Freitas do Amaral.

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CSO: 3542/237

POLITICAL

PORUGAL

APU GAINING GROUND IN LISBON, CASCAIS

Lisbon TEMPO in Portuguese 19 Jul 85 p9

[Article by Carlos Soares: "APU Wants to "Squeeze" Lisbon and Cascais]

[Text] "For some time the APU [United People's Alliance] has been trying to squeeze Lisbon in a great pincers," a PSD [Social Democratic Party] director told TEMPO with reference to the coming elections in the autonomous jurisdictions.

The APU already controls the chambers of Vila Franca de Xira, Loures, Amadora, Almada, Barreiro, Palmela and Setubal.

The goal now of the PCP and MDP coalition is each one of the chambers that are located closest to those mentioned above and with great emphasis on Lisbon and Cascais where, according to our source, everything seems to be moving in the direction of an APU victory. A curious phenomenon, possibly linked to the APU strategy, is being noted in these jurisdictions, where the number of electors has increased significantly. In Lisbon, for example the number of voters increased by more than twelve thousand. And if some of these electors should be from the APU, which isn't hard to believe given the known mobility of the PCP electorate, the chamber presidency could pass to the alliance, especially if there are no joint PSD/CDS or PS/PSD/CDS slates. In fact, the "AD" [Democratic Alliance] today has seven seats in Lisbon, the APU five, and the PS [Socialist Party] also five. This relation of forces makes it possible for some thousands of voters to decide one or more seats in favor of the leftist coalition.

In Sintra, where the municipality has eleven seats, four belong to the APU, another four to the AD, and the PS has three. The number registered in Sintra has increased by almost five thousand voters. The conclusions, on the above assumptions, could be identical.

In Oeiras, with four thousand more electors than in the previous registration, the present distribution is as follows: AD five; PS three; and APU also three.

It is in Cascais, according to sources contacted by TEMPO that the APU will center all of its efforts to achieve its objectives. An error committed by Helena Roseta in giving the Municipality's computer list to an enterprise having employees affiliated with the PCP facilitated its research work. The chamber in Cascais has eleven seats distributed as follows: four PSD (Social Democratic Party); three APU; two CDS (Social Democratic Center); and two PS. The number of electors increased by almost four thousand.

In Setubal, where the APU is in the majority, there was an increase of about 2,500 electors; in Loures it was about 7,300 (remember that there the activity of Severiano Falcao was greatly contested); in Vila Franca de Xira the increase was 2,500 electors; and in Torres Vedras the registered increased 1,500.

In Cascais the APU is going to run Zita Seabra for the office of president of the Chamber.

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CSO: 3542/229

POLITICAL

PORUGAL

BRIEFS

PCP'S CUNHAL SUPPORTS PINTASILGO--Alvaro Cunhal, secretary general of the PCP, said this weekend in Povoa da Isenta, near Santarem, that his party would not present a candidate of its own in the presidential campaign, since it is in the party's interest "to support a democrat who will win the election." He added that the democrat in the best position to receive the PCP's support is Maria de Lourdes Pintasilgo. Emphasizing that victory by the former prime minister would require more than the efforts of the APU [United People's Alliance] ("we also need the support of other sectors such as the Eanists and others"), Cunhal said that if his party were interested in "conducting a fine campaign," it would run its own candidate. Discussing the Democratic Renewal Party (PRD), the secretary general of the PCP said: "We consider its appearance favorable, since it will take votes away from the Right and strengthen the APU, but any APU vote going to the PRD will not favor a democratic alternative." Concerning the legislative elections, the communist leader said: "We need to increase the vote and increase our representation in the Assembly of the Republic. Almeida Santos will not be able to fool our people any more than Mario Soares can." Referring to the local elections, Alvaro Cunhal expressed the opinion that the politicians and rulers should look into the examples of management set by the local governments and into the latter's solutions to problems. [Excerpts] [Lisbon DIARIO DE NOTICIAS in Portuguese 12 Aug 85 p 4] 11798

FP-25 SUSPECTS ON FUP SLATE--Three individuals accused of belonging to FP-25 are candidates for deputy from the FUP [United People's Front]. Mouta Liz, a member of the Workers Committee of the Bank of Portugal and accused of being the treasurer of that terrorist organization, heads the ticket in the Lisbon district. Cesar Escumalha and Joaquim Dias Lourenco, two others arrested, head the ticket in Beja and Setubal. In Porto, the FUP ticket is headed by Maria Goncalves; in Evora, by Manuel Calado; in Leiria, by Vitor Sousa; and in Braga, by Carlos Nunes. According to legislation currently in effect, there is nothing to prevent a prisoner awaiting trial custody--which is the case of the individuals accused of belonging to the FP-25--from becoming a candidate for deputy. However, these candidates probably will not be able to exercise the right to vote since this right has been systematically denied by prison authorities because they do not have the logistical capability to insure such right to all the people being held in Portuguese jails. In all, FUP is fielding 160 candidates. [Text] [Lisbon O DIA in Portuguese 14 Aug 85 p 20] 9895

POLITICAL

TURKEY

MINISTER VIEWS RELATIONS WITH GREECE, EUROPE

Istanbul CUMHURIYET in Turkish 21-22 Jul 85

[Interview with Foreign Minister Vahit Halefoglu by Sedat Ergin]

[21 Jul 85 pp 1, 8]

[Text] Ankara - Foreign Minister Vahit Halefoglu said in a special statement to CUMHURIYET that Greek Prime Minister Andreas Papandreou was hoping to gain by U.S. pressure on Turkey. "Turkey is not a country that conducts its foreign policy according to foreign pressure," he said, adding, "Moreover, we do not believe that either the United States or other friendly countries would adopt such an approach."

In a veiled warning to Prime Minister Papandreou, Halefoglu referred to "Turkey's present and future potential" and said, "Bearing this potential in mind, Greece's best safeguard lies in friendship with Turkey."

The foreign minister also indirectly criticized the attitude towards the Cyprus problem of UN Secretary General Perez de Cuellar. Backing Rauf Denktas in noting that the document which the secretary general had formulated after consulting with the Greek Cypriot side only had met "astonishment" in the TRNC [Turkish Republic of Northern Cyprus], Halefoglu pointed out that in comparison to the document rejected by the Greek Cypriots in January, the new document "makes radical and important changes in favor of the Greek Cypriots this time." With this statement by Halefoglu, Ankara, which always defers to Denktas, is adopting a distinct attitude and raising its voice for the first time as regards the document which the secretary general presented in April.

As regards Papandreou's setting the condition for dialogue with Turkey that the Turkish troops on Cyprus withdraw from the island, Halefoglu stressed that "Turkey will not renounce its effectual and de facto guarantee on the island" and said, "It is impossible for Greece not to know this." Halefoglu also said that Papandreou did not want the Cyprus problem solved. Our interview with Halefoglu follows:

[Question] It is understood that Greek Prime Minister Andreas Papandreou has made the normalization of relations with the United States contingent upon U.S. pressure on Turkey and getting concessions in the Aegean problem, especially Limnos. What are your feelings on the United States' adopting such an approach? What would be the outcome of the United States' adopting such an approach?

[Answer] It is a known fact that the Greek government has long followed the policy both in its relations with Turkey and bilateral relations as regards the Cyprus problem of hoping to gain by having foreign countries, especially the United States, put pressure on Turkey. One sees this also in official pronouncements. However, this policy has gained nothing for them in the past and will not do so in the future. Turkey is not a country that conducts its foreign policy according to foreign pressure. Moreover, we do not believe that either the United States or other friendly countries would adopt such an approach. If Greece wishes to continue pursuing this policy, it will get nothing but disappointment.

#### Security for Greece is Friendship with Turkey

[Question] Papandreou has said that there is nothing in the Aegean to discuss with Turkey. As Aegean problems have been negotiated between Turkey and Greece in the past, is it not a set-back from the standpoint of Turkish diplomacy for him to eliminate this as a negotiable topic today?

[Answer] The only way to solve the existing disputes in the Aegean between Turkey and Greece is dialogue and negotiation. Actually, UN Resolution No 395 of 25 August 1976 and the 1976 Bern agreement based on it call for the negotiation process.

A negotiation process was begun for this reason between the two countries at the foreign ministry general secretary level. Also, discussions have been held between prime ministers and foreign ministers. The first thing Prime Minister Papandreou did after taking office in 1981 was to sever this negotiation process. The side that backs out of negotiations cannot persuade the world that it is in the right. Turkey does not have the slightest share of responsibility for severing the negotiation process any more than it has for creating the disputes between the two countries. This attitude by the Greek government is, above all, damaging to the long-term interests of the Greek nation. The Greek people have nothing to gain from a policy of perpetual tension with Turkey. Prime Minister Papandreou must realize that, bearing in mind the realities of the region which Turkey and Greece occupy and Turkey's present and future potential, Greece's best safeguard for the future lies in friendship with Turkey. If this fact is not understood, it is no fault of Turkey's.

#### New Documents Favor Greek Cypriots

[Question] UN Secretary General Perez de Cuellar is understood to have made significant changes in his plan for a solution to the Cyprus problem. Turkey had supported the secretary general's plan that was discussed at the January summit and which the Greek Cypriots rejected. What will be Turkey's attitude towards the latest revised plan?

[Answer] Turkey believes that the Cyprus problem can be solved through negotiations held on the principle of equality between the Turkish and Greek Cypriot communities under the supervision of the UN secretary general. For this reason, it has sincerely supported the attitude adopted by the Turkish Cypriot community in the mediated negotiations and at the January summit. The Greek Cypriot community and the Greek government which supports it bear total responsibility for the failure to reach an agreement in January. TRNC officials were astonished by the document which the secretary general drew up after the January summit in consultation with the Greek Cypriot side only. The TRNC president, Mr Denktas, will report his ideas to the secretary general after consulting parliament and the government. Only let me say that the new document adds radical and important changes in favor of the Greek Cypriots in comparison with the document accepted by the Turkish Cypriot side.

[Question] In your opinion, what conditions are necessary for the solution of the Cyprus problem?

[Answer] It is possible for a solution to the Cyprus problem to be found through negotiation between the Turkish Cypriot and Greek Cypriot communities under the supervision of the UN Secretary general. It is necessary, as already agreed upon, that the envisaged federal state be based on the political equality of the two communities and the principle of bizonality. Any solution found must absolutely guarantee the safety of life and property of the Turkish Cypriot community. Turkey's de facto and effectual guarantee constitutes an essential element for this.

A top priority for bringing a lasting solution to the Cyprus problem is the creation of an atmosphere of mutual trust. Yet Greece and the Greek Cypriot side, let alone contributing to the creation of such an atmosphere, are pursuing a policy of continuous tension to further deepen the existing distrust. As I have pointed out before, it must not be forgotten that a solution to the Cyprus problem could [not] be found in the past when relations between Turkey and Greece were at the best possible level. And as Prime Minister Ozal has said also, it would be extremely optimistic to expect the two communities on Cyprus to enter a climate of mutual trust when the prime ministers of Turkey and Greece cannot even shake hands with each other.

#### We Will Not Abandon Effectual Guarantee

[Question] The Greek prime minister has made dialogue with Turkey conditional upon the withdrawal of the Turkish troops in Cyprus. How will you react to this condition that Papandreu has imposed?

[Answer] The Greek prime minister's making dialogue with Turkey conditional upon the withdrawal of all Turkish troops from Cyprus may be described as a new sign that he does not want a solution to the Cyprus problem. It is impossible for Greece not to know that Turkey will not renounce its effectual and de facto guarantee on the island. So it seems that their purpose is to keep the Cyprus problem in the form of a perpetual dispute that they can exploit against Turkey, not to solve it.

[22 Jul 85 p 7]

In the second part of the interview, Foreign Minister Vahit Halefoglu talked in an optimistic tone about relations with Western Europe. Saying there had been "noteworthy development" in relations with Western Europe, Halefoglu remarked upon the Ozal government's "sincere effort" to strengthen relations with the Western community. "Those who were hoping Turkey would be alienated from Western Europe are doomed to disappointment," he said.

Halefoglu pointed out that Portugal and Spain's joining the EEC as full members would not affect Turkey's full membership in the community. The minister criticized France for adopting the attitude that Turkey should not be included in the Eureka project at this stage.

Pointing out that Turkey's difficulties with Bulgaria stem from oppression of the Turkish minority in that country and hinting that removing the blockade around the Plovdiv consulate general would not be sufficient to moderate relations, Halefoglu stated that Bulgaria's claims were not supported by world public opinion. He revealed that the human rights of our kinsmen in Bulgaria would be taken up at the Conference on European Security and Cooperation [CSCE] to be held in Helsinki at the end of the month.

Stressing the need for freedom of transit in the Persian Gulf, Halefoglu indirectly criticized Iraq's attacks, and was noticeably "cautious" in speaking of press reports that Syria had withdrawn its support for terrorist actions against Turkey. Halefoglu indicated that no development had occurred as yet and said, "We are hoping the agreement we reached will have positive results." The second part of our interview with Halefoglu follows:

#### Development in Relations with Europe

[Question] How much does it bother you that Turkey has been unable to make any progress in getting its relations with Western Europe on track?

[Answer] There is noteworthy development in our bilateral relations with West European countries. We have acknowledged during both official visits and contacts on other occasions that a mutual political will and sincere desire exist for the further development of these relations. Our West European friends are gaining a better understanding every day of the realities of Turkey and the Turkish nation's and government's sincere belief in democracy. The views expressed in the press by the West German prime minister and the Belgian foreign minister who visited recently are evidence of this. The systematic anti-Turkish activities of certain circles are quickly losing their

impact and credibility. Our government is making a sincere effort to strengthen our relations with the Western community where we are a member in political and economic areas. Those who were hoping that Turkey would be alienated from Western Europe are doomed to disappointment. Known circles in certain European organizations, especially the EEC and the Council of Europe, continue their activities against our country. Greece, in particular, which seems to have made hostility towards Turkey a fundamental goal of its foreign policy, cannot help but be noticed in its efforts in this direction. This policy has no chance of success. It is natural that sooner or later Turkey should take its proper place in the West European organizations. This is dictated by the long-term interests of both Turkey and the European community.

#### EEC Membership

[Question] Once Spain and Portugal joined the EEC as full members, the general atmosphere in Europe seems to be that expansion of the EEC has reached the saturation point. In your opinion, will this affect Turkey's full membership and existing rights vis-a-vis the EEC?

[Answer] The partnership treaties signed by Turkey and the EEC clearly state the goal of our country's becoming a full member. Also, article 237 of the Treaty of Rome specifies that every European country may apply to join the EEC. Our government has made it clear on various occasions that full membership is our basic goal in our relations with the EEC. This also appears in our government program. There is nothing in Spain and Portugal's joining the EEC that would affect Turkey's attitude in this regard, its right to apply for full membership or its general policy on the matter. The problem centers around the point at which political and economic conditions would be ripe to apply for full membership.

#### Eureka Project

[Question] How does Turkey look at the Eureka project? How important is this project to Turkey? What reasons are the source of its interest in the project?

[Answer] The Eureka project is Europe's attempt to play an important role in the development of its technology. Naturally, Turkey as a European nation is closely interested in projects like this. The Eureka project does not have a framework limiting the scope to EEC nations only. There are countries included in the project with which Turkey easily measures up technologically. It is impossible that Turkey would not be considered interested in such an undertaking. Our government has been closely interested in it ever since the idea of the Eureka project was originated and has had contacts and consultations about it with the countries involved. Thus the claim that Turkey's interest in the project came late is not true. We have the belief that the majority of the European community would support Turkey's participation in this project. Certain high-level contacts we have made reinforce this belief. I must say in this context that we are puzzled by France's attitude on this since it has given the impression lately that it wishes to put relations with Turkey on firmer ground.

[Question] U.S. officials say vis-a-vis the changes Turkey wants to make in the defense cooperation agreement that it is constitutionally impossible for them to make revisions in the agreement that would be binding upon Congress. In this case, what kind of formula can be developed to meet Turkey's expectations regarding the agreement?

[Answer] The Defense and Economic Cooperation Agreement between Turkey and the United States is based on two fundamental elements. One is that the United States will contribute to modernization of the Turkish army and the Turkish economy and the other is that the United States gets to use certain facilities belonging to the Turkish Armed Forces. We have emphasized on various occasions the need for balance to exist between these two elements. The past 5 years have shown that this balance has not occurred at the level desired. U.S. officials admit that the support provided by the United States is less than Turkey needs. In fact, the amount of aid proposed to Congress by the administration is less than the need established jointly by officials of the two countries. Also, it is a fact that the U.S. Congress made significant cuts in the administration proposal for military aid. It is impossible, moreover, for Turkey not to notice that certain ethnic groups lobby the U.S. Congress in an attempt to make U.S. military aid contingent upon matters which have nothing to do with Turkish-American cooperation. The problem now is how this balance is to be obtained. We have made our thoughts in this regard known to the U.S. government. And our work is continuing at the technical level.

#### Star Wars

[Question] The U.S. strategic defense initiative has caused serious reservations among the NATO allies in Europe. It is said that this initiative will lead to radical changes in NATO strategy, will create serious deficiencies in the defense of Europe and will also have a negative effect on the disarmament talks. How does Turkey assess these and similar consequences of the SDI?

[Answer] The U.S. Strategic Defense Initiative is an undertaking that must be examined seriously and with importance from a number of angles. Our government is studying the political, military, strategic, technological and economic aspects of it. On-going consultation on it is important to us because the question has ramifications for NATO and the European allies. No decision of any kind has yet been made at the government level.

#### West European Union

[Question] Another matter closely concerning European strategy is the planned revival of the Western European Union. Does Turkey wish to be included in this formation?

[Answer] We have followed closely and with interest the efforts that have been going on for some time to revive the Western European Union. Our Turkish parliamentarians, like those of other NATO nations which are not members of the Western European Union, have attended some deliberations of this organization as observers. Of course, Turkey which is included in the Western defense system would keep close tabs on the activities of the Western European Union.

There are views that this union would aid in strengthening cooperation at the Europe level, especially in the defense industry area. We have research in progress on what form our relations with the WEU would have to take in light of these developments.

[Question] Has the lifting of the measures adopted at our Plovdiv consulate general created any softening in Turkish-Bulgarian relations? Do you plan to meet with the Bulgarian foreign minister at Helsinki?

[Answer] The measures effected by the Bulgarian authorities in the vicinity of our Plovdiv consulate general for no reason and which had no justification in international law, were a mistake that was corrected too late. The oppression of the Turkish minority in this country is the basis of the difficulties that have arisen between Turkey and Bulgaria in recent months. Our government had proposed negotiations between the two countries to resolve this problem through an agreement that would allow our kinsmen who wished to do so to emigrate to Turkey. We have not to date received a positive response from the Bulgarian government in this regard. Clearly the Bulgarians have nothing to gain by persevering in their present attitude which is having a negative effect on relations between the two countries and Balkan cooperation. The claims they are trying to project have been unable to find support in world public opinion as demonstrated most recently at the Ottawa Conference on Human Rights. We sincerely hope that the Bulgarian government will adopt the view of seeking a solution to the problem through negotiations with Turkey.

#### CSCE Conference

[Question] What is Turkey's view on the CSCE conference being held in Helsinki at the end of the month? Will you bring the oppression of the Muslim Turkish minority in Bulgaria before the CSCE?

[Answer] Complete implementation by all signatory countries of the Final Act of the Conference on European Security and Cooperation signed in 1975 is important to Turkey. We have actively participated in the efforts and conferences to date in this regard. Most recently, we went with a constructive outlook to the conference on human rights held in Ottawa in this framework.

Matters dealing with the implementation of the Final Act and, in that context, the violation of the human rights of our kinsmen in Bulgaria will be taken up this time at the 10th anniversary conference to be held in Helsinki just as they were at the CSCE conference in Ottawa.

#### Reagan-Gorbachev Summit

[Question] Do you expect any change in East-West relations during the leadership of Gorbachev in the Soviet Union?

[Answer] Turkey has always had a sincere desire for detente between East and West and has worked toward that end. We believe that the high-level contacts that are to take place between the United States and the Soviet Union will serve this purpose. We therefore welcome the decision for a meeting in

November between President Reagan and the Soviet Communist Party General Secretary Gorbachev. We hope that the new leaders of the Soviet Union will take a positive approach to the constructive attitude of the Western community of which we are a part towards putting East-West relations on a firmer foundation.

#### Gulf Transport

[Question] What do you think of Iraq's numerous attacks on Turkish tankers in the Gulf? Would you discuss the initiatives made to Iraq?

[Answer] Our attitude on the attacks on our tankers in the Gulf was expressed in a statement released by our ministry on 10 July. Our government has stated clearly that it holds freedom of transportation in the Gulf to be secure in keeping with international rules and practice and called upon the sides involved in this regard. When our tankers are attacked, these matters are examined from various aspects within the framework of international law and action is taken accordingly. Turkey is concerned that a war which has been going on for 5 years continues between two nations which are its friends and neighbors. Our government stands ready to make any effort possible to bring an end to this war which causes heavy losses to both sides and endangers transportation in the Gulf.

#### Lebanon Situation

[Question] How does Turkey assess the situation into which Lebanon has fallen today? How do you assess Syria's Lebanon policy?

[Answer] The sad developments which have been taking place for many years in Lebanon not only cause great anguish to the Lebanese people but at the same time are a serious threat to regional peace. Our government hopes for the restoration of peace and order in Lebanon as soon as possible. We believe that complete Israeli withdrawal from the Arab territory it occupies is necessary for the restoration of peace and stability in Lebanon.

#### Agreement with Syria

[Question] There have been reports in the press saying that Syria has withdrawn its support from the elements engaging in terrorist activities directed against Turkey. Is official information reaching you of a nature to confirm these reports?

[Answer] Agreement was reached during high-level contacts with Syria not long ago on cooperation by the two countries in the struggle with terrorism. We hope this agreement will have positive results in practice.

Jordan-Palestinians

[Question] What is your assessment of the latest situation in the contacts led by the United States for the purpose of finding a solution to the Middle East problem through a Palestinian-Jordanian federation?

[Answer] A primary condition for finding a solution to the Middle East problem is that the solution to the just Palestinian cause be a lasting one. We therefore see it as a positive step for a joint Jordanian-Palestinian delegation to be formed for negotiation of the Middle East problem.

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CSO: 3554/144

POLITICAL

TURKEY

FORMER POLITICIAN DISCUSSES PRESENT POLITICAL SYSTEM

Istanbul CUMHURIYET (POLITICS Edition) in Turkish 21 Jul 85 pp 4,5

[Interview with former politician and RPP member Selcuk Erverdi at his home in Ankara by Ahmet Tan; date not given]

[Text] Selcuk Erverdi, in his own words, is a "politician whose ledger is closed." He is not at present active in politics either up front or behind the scenes. As a "house husband," he spends the day waiting for his wife to come home from work and the children from school. But, in this context, he says that he also reads, building himself a future career as prime minister.

How's that again?

"Reading Red Kit [reference to State Economic Enterprises publication]...the same as our Prime Minister Mr Ozal does, in other words. The price hikes are so hot a retired house husband can't touch any other kind of book at any rate. Nothing is cheaper than Red Kit."

Erverdi, after 15 years as a lawyer, 9 years as Erzurum provincial chairman and almost 12 years as a national deputy, is one of the Republican Peoples Party [RPP] deputies who said farewell to the "democracy construction site" of parliament when the call went up that the "job was finished." How does Erverdi, as one who spent a long time as leader of his party's Assembly group in the TGNA [Turkish Grand National Assembly], was minister of justice briefly (in what Demirel called the Cankaya government) and was active in politics for 29 years from 1951 until the parties were banned in 1980, view the country's "political scene" in the summer of 1985?

"It seems to me that the mistake we have made as a nation goes back 1,000 or more years ago. Islam is not a religion that suits our structure or mentality. We should have been "idol worshipers." We are always seeking an idol, we create them out of our imaginations with our own hands and bow down before them. This has taken a particularly pronounced form in our recent political history, at present.

"We should remember a comment by Ismet Pasha [Inonu], who was himself considered an idol in the eyes of one sector: 'Democracy is the name of the regime that breeds no heroes.'

"Those who were in the two opposition parties last week and the week before that and will be next month show that we need to go many more kilometers before we reach democracy."

Politician Erverdi, as Erverdi the "citizen and house husband," says there are two basic causes of our always having an axle break or a tire blow out on the way to democracy. The first is leader domination in the political parties. The second is the electoral system.

The leader domination problem was true without exception for the four pre-12 September parties. It was also true for earlier periods. It exists in a rapidly growing form in ANAP [Motherland Party] today. As leadership domination develops and becomes strong, democracy will have a blow-out as sure as two and two are four.

Erverdi explains how every kind of electoral system called "proportional representation" has been tried, coming up in the end with this "no primary" model:

"Behind this concept," he says, "lies the perception that the citizen cannot make a good and appropriate choice. This means not believing in the citizen. Every selection process has some risks. The people did not elect the Consultative Assembly. Those 150 people were brought together after meticulous screening and security and aptitude checks. However, every kind of disagreement and difference of opinion imaginable soon emerged among the members. So the members of this body chosen at the highest level are scattered among four different parties today. That is, in sum, the problem in choosing is that the chosen and the choosers both need to be educated. Holding the chosen to strict discipline and preventing party switching is a palliative measure even if it is constitutional."

The ban on switching parties, according to Erverdi, is to prevent formation of a "deputy market." But this method is, at the same time, one that stifles democracy. Nevertheless, a mortgage has been taken out on the political lives of politicians of the future because "a group of deputies who put themselves on the market" in the past got burned. Moreover, the deputies who put themselves up for grabs were all blamed for the crime, but no one said anything to the leaders who were shopping on that market.

Erverdi believes that political parties are each a living organism of the society and that the shape, direction and content of political parties change according to changing economic and political conditions. "The Populist Party of today is undeniably different from the 'authorized structure' prior to the so-called general elections. To tell someone who liked and identified with the party the way it was at that time and who ran and was elected, 'You absolutely cannot go anywhere, you have to sit here,' is not compatible with the development and growth of democracy. If the party format changes, that national deputy must be able to leave the party and go to another. Otherwise, there are going to be troubles. For example, people who are expelled from a party have the right to go to another party, although those who resign are prevented from doing so. Now, if deputies undertake to get themselves expelled, isn't that just another irregularity? And all before the system has even fulfilled its half life.

We are talking with Selcuk Erverdi at his home in the Dostlar Complex that was built by former members of parliament. The majority of residents in the complex used to be politicians, but they have now fallen into the minority. The reason for this is that most of the "banned" politicians either left Ankara or fell on hard times or sold their apartments for the money to go into business and moved elsewhere.

The homes of the pre-12 September parliamentarians, which were built in large apartment blocks fourteen stories high, were much more modest than the present ones. Their two-story villas built on spacious grounds with gardens at some distance from Ankara show, do they not, that the prestige of national deputies has actually increased since 12 September, claims to the contrary notwithstanding?

Erverdi is opposed to national deputies' being granted too many special privileges, but believes that certain material possibilities such as housing are necessary for the job to be carried out without worry and pressure.

Erverdi speaks in a quiet and composed manner. He is 58 years old, but does not show it, his mien reflecting bounding youth. He uses many allusions, folk sayings and Anatolian analogies in his speech. For instance, he cited this footnote from Italian novelist Pitigrilli when he was talking about the "deputy markets": "Feminine chastity is becoming less popular. Now the reason they burn candles to Mary is because she had Jesus without a father."

To explain how high the ruling ANAP's chances of election were, he used an Erzurum expression: [referring to governments, gardeners and cucumbers, the latter used colloquially to mean dolt or blockhead].

Or, in deciding whether a change of leadership in the Populist Party [PP] and the Nationalist Democracy Party [NDP] would affect the course of politics, he said, "Two new leaders will affect our political life as much as President Reagan's colon [operation] affects parity of the dollar."

Erverdi says that he does not get much chance to talk except with a few friends who come to visit. That he is a "good politician" in the sense of loving to talk and being able to get people to listen is indisputable. The fact that he was in politics for 29 years is testimony to ability as much as habit in this talking business.

"The good horse dies in harness," he says. He does not make it clear as to whether he will go "in harness" again. The misfortune he has experienced will have to play a role in this. The misfortune he speaks of is indeed misfortune. His son, at age 20-21, went abroad to study where he became ill and died.

We change the subject. For a politician who has been in politics for almost 30 years and whose party was in power for as little time as 1 in each 10 of those years, it is better to ask questions about the opposition rather than being in office. Some of Erverdi's answers follow:

--"The opposition cannot give up just because it is smaller. It is smaller, of course, by definition. But it can augment this number by the popular support it generates outside of parliament and, through popular pressure, can give the administration a hard time. Any opposition that cannot challenge the administration becomes expert at what it does and will be in the opposition forever."

--"Mr Calp is not temperamentally disposed to leadership and politics. He is not leaving because he had a degree but because he could not do the job and could not keep up with the desires of the public. Ozal had a degree, too, but he knew how to wave his pen before the eyes of the public and divert their attention."

--"It is inevitable that the NDP will fade into history. A new leader can only delay that, because it does not seem to have done anything so far except say, 'We are more nationalist.'"

Erverdi says the term "experienced politician" means nothing. A politician's experience is not and cannot be of use to anyone, especially the new politicians. Why is that? "Because a politician is a person who believes he was born smart to start with. So he cannot benefit from the experience of others or even share what has happened to him. This is seen best in the leadership set."

So then we could not ask Erverdi questions by saying, "Based on your experience," but had to say, "For the sake of conversation..." Thus his "picture of political life in the future with three leftist parties":

"There will be three left-wing parties in the 1988 elections. Unifying them is a dream because of the nature of the parties and their leaders. To expect the PP leader, as general chairman of a political party, to say, 'I will join you,' is to profess ignorance of human nature and a politician's nature. Who would admit from the outset that he could not win and say, 'I can't do it, you go ahead'?

"The left vote potential in Turkey is around 42 percent. A significant part of this 42 percent votes left not because it loves 'Ali,' but because it hates 'Muaviye.' There is a solid left voting base, to be sure, but people disaffected by the right would determine the fate of the election."

Erverdi remarks that "an observation having to do with the hero-worshipping Turkish nation determines the political future of Turkey." This observation is: "The Turks do not easily give up on their governments."

"This characteristic of not giving up hope will be the end of our democracy. If, during a 4-year administration, the citizens were to see that a party was wrong and give up on it and bring the other party fully to power, there would be no coups in our country or democracy that had to be started all over again. The Turkish electorate changes its mind very slowly. The DP [Democratic Party] was elected in 1950. People saw that it was wrong. Its support

waned in the 1954 elections. It declined a little more in 1957. The DP would perhaps have disappeared if the 1960 intervention had not occurred. However, it takes the citizenry 10 years or so to give up hope, withdraw its support from one party and shift it to another. Meanwhile, a revolution has already occurred.

"The JP [Justice Party] won the elections in 1969. The people were not happy with its administration. But they did not make this clear in 1974. They withdrew a little more of their support from the JP in 1977. But, again, they did not fully back the other side, that is, the RPP. Again, there was a coup before 4 more years could pass.

"I think this situation will continue until our citizenry gets used to making its reactions to political parties felt more quickly."

Erverdi does not believe the left has much of a chance of being elected in the next elections even if it unites. The present electoral system is such as to "make the rich richer and the poor poorer" from the standpoint of vote percentages. Because of the threshold system, the number of deputies lost by losing 2 percent of the vote for the left-wing parties would be equalled by the ruling ANAP only if it lost 20 percent of the vote, according to some expert colleagues. Also, the divisions on the right "do not make as much difference as the divisions on the left." An example?

"Even though right-wing votes are split if ANAP and the NDP both enter the elections, the NDP can still win a large number of seats in parliament."

Erverdi is always thinking about results, the number of votes received and the number of seats in parliament won because he has been provincial chairman and party group leader. He gives examples, naming hard figures and particular provinces:

"ANAP won two seats, the PP two seats and the NDP one in Corum in the 6 November elections. ANAP's vote count fell from 90,000 to 70,000 in the 25 March local elections. But the left-wing parties split their votes by the proliferation of parties running in the election. If those had been general elections, ANAP would have won all five seats even though it had 20,000 less votes.

"This was more or less the same in all provinces. For this reason, a merger of the left-wing parties ought to be contemplated and debated not within the framework of a debate of political philosophy, but within the framework of the election account books."

Selcuk Erverdi, although he does not particularly like Prime Minister Ozal, does not call him names like "rookie manager" as Correct Way Party leader Husamettin Cindoruk did. The reason for this is he believes Mr Ozal is plainly the "architect," not the manager.

"The architect of the 24 January decisions is Ozal. The country knows he did this. But if Ozal was the architect, who was the contractor? The contractor was the government and the man who headed it at that time, Mr Demirel. Ozal did, and is doing, the job using the materials supplied to him. The structure we have is the only kind possible using these materials. The one responsible, therefore, is the contractor who took these materials and placed them before the architect.

"Meanwhile, another point is that the architect asked for 4 years of peace and order to complete the construction when he took over the job in 1980. Four years was not enough. But as to the peace and order, he had the best. Now he has the nerve to ask for 10 more years. Such an architect ought not to show his face in public, not even on a different job, but should be looking for a hole to hide in.

"For us, though, it is just the opposite. He shows himself in all his glory on the television screens every day. He points his sharpened pencil directly at the nation and announces a price hike."

Erverdi says he will make one further observation to conclude his comments:

"Secularism was buried in Kasimpasa at the monastery of Cerrahi Seyhi, who died last year, along with the special burial decree hastily passed in a few hours by the Council of Ministers.

"As for the revision of the nation's economic interests, it is as 'phony' as the list the prime minister holds of companies making billions on exports.

"Independence, meanwhile, has long since fled overseas. In sum, this administration stands on three legs. One is in the 'monastery garden,' another is in the 'phony export lists' and the third is 'somewhere beyond the sea.'"

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CSO: 3554/144

ECONOMIC

FINLAND

TRADE MINISTER DENIES FOREIGN POLICY OBSTACLES TO EUREKA

Helsinki UUSI SUOMI in Finnish 3 Aug 85 p 20

[Article by Jermu Laine: "Eureka — Has Finland Already Discovered It?"]

[Text] "We have certainly made appropriate provision in Finland's national budget for the funding needs of the growing number of West European projects, but the readiness to assume the initiative and to cooperate must come from the business sector," Minister of Foreign Trade Jermu Laine says in his article. (Subheads are the editor's.)

In the company of the big powers a strategy for economic success is certainly not without its problems for a small, remote country. But, aside from the instructive experiences of life, has any other country also experienced as surprisingly large a number of lucky happenstances as Finland? According to the average course of life worldwide, things might be worse here in Finland.

The publicity beyond expectations that our efforts received has been successful for us in the Eureka venture — except, of course, as regards the main thing itself. To the extent that it was international, it in the end positively heightened Finland's image. It was above all a carnival of domestic communications that almost overflowed its bounds. Eureka inspired our news media to shift into high gear in the summer heat: There was at least the feeling of a big sport festival in the air.

This publicity has now been and will even after this be an important factor. We have energetically advanced ourselves to become a country interested in international, and particularly European, technological cooperation. This is the only alternative for a nation that is concerned over a successful strategy. The publicity is the thanks for the fact that Eureka has now become a personal challenge demanding our alertness on all sides and at all levels.

Will Neither Replace Nor Displace

Now that the fuss attached to the more superficial aspects of Eureka has subsided, it is time to more extensively than has been the case up to now sort out what is new in the Eureka project, what new things are really involved. The

knowledge of the countries participating in the venture is still noticeably scanty with respect to what all is and will be involved in it.

From this we may assume that Eureka will not be any sort of new West European research organization or supranational fund that distributes grants. The objective is not to collect funding contributions from the participating nations to a common multinational fund in which a board of directors bureaucracy would separate projects to be subsidized from needless research projects.

Eureka will not replace research projects now in progress within the framework of the EC, or European Community.

Nor, moreover, is the purpose to displace or alter West European research projects that have been under consideration for years now and the cooperative organizations of numerous industries, public institutions and research units or regular conferences involving particular fields and other established channels of communication.

#### New Viewpoint

/Eureka/ [in caps] is not heureka [I have found/discovered it]. No one is claiming that anything new has been discovered. The /eu/ [in caps] of the first part of the word merely expresses the confines of Europe and the last part, /"reka"/, symbolizes research projects to be conducted jointly. "Eureka was born today," they asserted in the joint declaration of the Paris conference. But Eureka is not anything new institutionally; rather, it is a new viewpoint. It will be a compilation of ways to accelerate the commercial exploitation of European technological research efforts.

It is not an alternative to the United States' new space program, the SDI (Strategic Defense Initiative, the so-called "star wars" project). Eureka is Western Europe's response to the United States and Japan's more advantageous situation, to rapidly transform the technological development effort to product supremacy in world markets.

The United States' enormous public and private contributions to military and civilian research alongside business firms, which immediately commercially exploit the results of this research, also threaten to represent an absorption of European intellectual workers by the United States of such dimensions that our continent's actual possibilities of succeeding even in limited new generation product sectors will be lessened.

#### Ambitious Rescue Operation

Eureka is an indispensable, but realistic and ambitious rescue operation, commercially very appropriate, that is being promoted for European research and development and is occurring at the eleventh hour. Success will depend on the watchfulness of national enterprises and governments and their willingness to contribute financially.

But it is more than these, it is obviously a question of Western Europe's ability to quickly implement a "European Technology Community." The EC already has a plan for that purpose on paper. But, appropriately, the objective is the realization of a "technology community" comprising all of Western Europe that will bypass the EC institutions.

#### With the Disappearance of Tariffs, the Obstacle to Free Trade Growth Has Finally Diminished

EFTA and the EC have now led to the creation of a broad West European free trade area. During the past quarter of a century they have represented an incentive to economic growth and a lesson in going into uniform domestic markets. Now we are at a turning point that must be exposed and about which we must sound the alarm: With the disappearance of tariffs, the obstacle to the growth of free trade has finally diminished; a second generation period of integration will be regarded as an inevitable condition for Europe's economic prosperity.

In this "higher degree" unification process it is necessary to strive for really uniform domestic markets. Europe's technological potential — which is not inconsiderable nor is it to be underestimated — will be afflicted with a fatal disease from which it will waste away unless the purchasing power of Western Europe's 380 million people provide it with a commercial springboard.

In developing its high technology the EC has already offered considerable evidence of cooperation in the business and community sectors. But the threshold of commercial exploitation of the results of research has remained high: We are with difficulty accepting common standards, public procurement policy has as a rule extended priority to national enterprises in, among others, the important communications sectors, others adopt new techniques with exclusive nationalist applications, etc.

#### Basis Is a New Trade Policy

Therefore, Eureka is a powerful European cry of alarm. The goal of the initial phase is to identify a half dozen key research and development fields — apparently like information technology, communication, automated production methods, new material products and biotechnology — and then to get several firms from at least two countries to develop the next generation's commercially exploitable products.

Readiness to assume the initiative must come from the grass roots level. But incentives for businesses must also be strong enough for them to engage in risk-prone cooperation. Decisive government encouragement should in part come through contributions of financial support and in part — and not the least — as industrial and commercial policy measures that really promote integration of domestic markets. These latter are specifically linked with the objective of quickly pushing through the appropriate uniform standards and common European application models associated with the project.

### "Objective Is a European Product for European Domestic Markets"

So this "genuine and original European technological novelty" would no longer be a French, British or German product or a product of any nation, but a European product which, under the umbrella of Eureka, would enjoy the same sort of general most-favored status in all West European countries. That is, it would be comparable to some new U.S. product's spreading through the whole U.S. market with a preemptive strike. And a new Japanese product in Japan. With the help of such a head start, we would then capture the world market too.

In some Finnish quarters they have been quick to investigate new research and development appropriations on behalf of Eureka in the national budget. Those who are thus concerned must be reassured through two points of view: We must, of course, duly provide for the funding needs of the growing number of West European projects in Finland's national budget too, and we will certainly do so. At this point no one yet knows how quickly and in what specific ways Finnish businesses will get to the point of and feel that it is possible to participate in the Eureka projects that are to be set in motion.

### Business Sector Will Decide

So, if need be, the necessary public protective subsidies will also be found. But the second point of view: During the initial phase readiness to assume the initiative, courage, willingness to cooperate, in short, the desire to internationalize technology, must be increased and strengthened particularly at the Finnish grass roots level. This will affect businesses and those public communications agencies like the Post and Telecommunications Service as well as research centers and universities.

A jointly declared objective is to broadly include big concerns as well as small firms. To be sure, it is generally understood that, when they get started in the different countries, some well-known big firms have a better and more developed readiness to cooperate than others, both technologically and because of associations already entered into. But their basic patterns should, of course, then extend Eureka interests along a broad front as sub-contracts and along with special connections.

### Foreign Policy Is Not an Obstacle

The invitation to the Eureka conference, which reached Finland later than it did the others, has given rise to speculation chiefly here in the domestic news media as to whether Finland's foreign policy or geopolitical position might be at least a contributing factor. This is not the case and we must not through hesitation give others reason to believe that it is either.

The fact that vigilance is appropriate in certain respects is a different matter. Like other neutral countries, Finland has stressed the fact that we will not participate in research projects intended for military projects. This position was unanimously endorsed at the Paris conference at which the fact that Eureka would specifically comprise civilian projects was written into their resolution.

Our neutrality policy cannot be a factor that restricts our international technological development and cooperation in civilian matters. In fact for 20 years now we have more closely or more loosely also participated in West European research and development projects. Some of the projects are articulated into EC research programs. Our objective is also to launch negotiations for a general agreement on research and development projects between Finland and the EC independently of Eureka before the end of early fall. The preparations have been progressing without any problems.

It is, of course, also of primary importance, especially for small neutral countries, to pursue all forms of high technology and to somehow also be among the most capable countries in those sectors. These are the keys to the independence and self-assurance with regard to information technology that strengthens neutrality.

It is not surprising that some East European countries have also indicated budding interest in having an opportunity to measure their potential in Eureka. This aspiration is understandable precisely in light of the technology policy. The civilian nature of Eureka may in itself make an exchange of ideas possible.

In general in Western Europe they are by no means thinking of striving for a technological bipartition of Europe, as H-D. Genscher of the Federal Republic of Germany, among others, remarked at the CSCE anniversary conference. But, on the other hand, it is to be remembered as a limiting viewpoint that Western Europe is trying to accelerate the business sector's opportunities for commercially exploiting the results of research through Eureka.

It is known that there are strong doubts in Western Europe about their openness to getting into the market in the centrally governed socialist countries. Doubt about the balanced realization of interests may arise as a decisive obstacle in at least rapidly furthering technological cooperation between East and West.

#### "In Western Europe They Have Noted Finnish Firms' Lack of Enthusiasm"

Finland's political sector has neither wasted any time nor hesitated in promoting our firms and research institutes' international cooperation in research and development. In some fields we have been productively occupied for a long time now. But the outlines of everyday Finnish reality would be imperfect unless their portrayal also included some examples of what they have noted in Western Europe about our grass roots level's lack of enthusiasm to boldly and persistently participate in precisely joint consideration of new high tech affairs. And this lack of enthusiasm seems to be conspicuous just when our own familiarity [with high tech] here in Finland is worthy of consideration and, on the basis of that, we would also have a lot to learn.

### Why Doesn't the Post Office Participate?

Thus, for example, Finland's presence in international telecommunications organizations like the CEPT [expansion unknown] is at the least feeble as far as both our Telecommunications Service and our business firms are concerned. At the beginning of this year there was not a single Finn on that organization's organization chart, but there were, to be sure, seven Swedes, five Swiss, three Danes and also at least one each from Norway, Austria, Portugal and Greece.

As another example, let us mention the ECREA (European Conference of Radio and Electronic Equipment Association); Austria, Sweden and Switzerland participate in this organization as observers from countries outside the EC. Why not Finland? Some West European experts have made these observations with regard to us.

Those paid out of tax funds, our bearers of the word, of course, are sending the messages on to Finland, but the grass roots level must read the signals.

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ECONOMIC

FINLAND

OIL PRICE DROP SEEN HAVING LITTLE IMPACT ON SOVIET TRADE

Helsinki HELSINGIN SANOMAT in Finnish 15 Aug 85 p 2

[Editorial: "Oil Price Drop Does Not Decrease Exports to USSR"]

[Text] The drop in world oil market prices and the simultaneous drop in the exchange rate for the dollar are considerably reducing Finland's oil bill from the Soviet Union for this year. Since our trade with the Soviet Union, as is well known, is based on a balance between imports and exports, Foreign Trade Minister Jermu Laine has kept on alarming people in public by preparing them for a cut in our export quotas of as much as a billion markkas. Fortunately, the situation is not that worrisome.

On Tuesday Deputy Chairman Ivan Arkhipov assured Laine in Moscow that the current problems in balancing trade will not lead to reductions in Finnish exports. The Soviet Union realizes that the problems that have arisen are temporary and wants to keep the volume of trade high. It is estimated that our export surplus will clearly remain below a billion markkas, perhaps from 500 to 700 million markkas.

The present situation is not at all a particularly exceptional one, rather it has to do with the basic nature of our clearing trade, based on long-term general agreements. The sharp rise in the price of crude oil in 1979-1980 led to a large excess of imports. This was surprisingly rapidly transformed into accounts receivable of 5 billion markkas. Fluctuations that large are handled by a special account arrangement.

The Soviet Union's reexpressed flexibility is, at any rate, a precious thing. After all, these past few years the Soviet Union has accounted for about a quarter of our trade volume. Since our prospects for exports to Western Europe again seem to be more uncertain than they recently have been, it is of primary importance for us to at least secure the volume of our exports to the Soviet Union.

There is, however, a kind of time bomb ticking away in our trade with the Soviet Union: Oil and other forms of energy account for nearly 80 percent of our imports. From the standpoint of a sound mind, even now we are in such a preposterous situation that the foreign trade minister and other Soviet trade

officials have to publicly express their regret over the decline in oil consumption and the tendency for world oil market prices to drop. And the growth of our export potential is linked to the question as to whether the oil we buy will rise in price sufficiently and whether we will be capable of consuming more oil than before.

We have long and earnestly talked about the need for diversifying our imports, but a solution is not in sight. When we look into increasing our import potential and stopping consumption of oil, we end up with natural gas, coal and electricity.

More and more we are beginning to hear voices raised in favor of in part switching to a free foreign exchange system in our trading. This would not, however, solve the basic problem. Based on goods quotas, the general trade agreement has, in any event, been ratified until 1990, so substantive changes are not to be anticipated, at least not before then. However, there is good reason in Finland too to carefully observe to what changes in foreign trade the new winds of the Gorbachev era may lead.

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ECONOMIC

FINLAND

## CENTRAL BANK MODERNIZES MONETARY POLICY TOOLS

Helsinki HELSINGIN SANOMAT in Finnish 8 Aug 85 p 2

[Article by Harri Lautjarvi: "Bank of Finland's Monetary Policy Tools Modernized"; The author has a master's degree in business science and works as a researcher at the Finnish Bank Association.]

[Text] Finland's financial markets have experienced significant changes in recent years. They can be seen in heightened competition between banks, in relaxation of regulation, and in increased options for investment. The changes have arisen from internationalization of enterprises and banks and from an increased general knowledge about interest along with partial decontrol of interest rates. Progress toward a free system of interest has strengthened.

The changes have also required a change in thinking at the Bank of Finland. The money markets of our country have traditionally been tightly governed by the central bank through central bank debt and regulation of the average interest rate on loans. Finland's money market has been characterized by underdevelopment, concentration on savings banks, and a governmental interest system.

But the relaxation of regulation and the partial decontrol of interest rates that took place in recent years have not meant a restriction on the power and influence of the central bank--the Bank of Finland still has a strong grip on the money markets.

The changes have, however, required modernization and simplification of the central bank's monetary-policy tools. Developments have led to the point where monetary policy increasingly relies on regulation of the price of money instead of on regulation of the amount of financing.

### Goals and Tools

The real goals of the central-bank policy practiced by the Bank of Finland are to keep the value of the markka stable and to make sure that the country is prepared to make payments abroad. In addition to these, central-bank policy strives for other goals as part of economic policy, mainly general economic goals such as promoting economic growth, diversification of the

structure of production and maintaining employment. Central-bank policy in Finland has traditionally been divided into monetary policy and currency policy.

On account of the concentration of financial markets in savings banks and the governmental interest system, the monetary policy of our country has mostly been based on regulation of the position of banks in relation to the central bank. Almost continual excess demand for credit has meant that commercial banks have generally been net debtors to the Bank of Finland.

The most important tool for regulation of the banks' debt to the central bank has been central-bank financing, besides which in 1979 there came reserve deposits. Regulation has been based on, in addition to the amount of central-bank financing, the price, by means of which the Bank of Finland has been able to influence the banks' behavior in granting credit through [controlling] the banks' profitability.

Along with regulation of the banks' relation to the central bank, some of the most central tools of monetary policy have been interest policy and, connected with it, regulation of the average interest on bank loans, credit policy guidelines, and special financial arrangements. The Bank of Finland has adopted as a new tool of monetary policy "term interventions."

Interest policy in Finland has been comparatively passive. On the other hand, it has been a so-called "low-interest policy," from which it has followed that the real interests on deposits and usually also on loans has been negative. Because of the fluctuating interests of an interest policy, the effectiveness of interest policy is rather weak. In addition, active interest policy has obviously been made more difficult by changes in interest rates caused by political viewpoints deriving from the effects of division of income.

Credit policy guidelines are rules given to banks concerning the granting of credit. Their significance has clearly diminished, nor has the Bank of Finland issued any in the past 3 years.

Special financial arrangements are direct loans from the Bank of Finland to enterprises. These attempt to promote exports or to strengthen operating conditions for enterprises competing with imports. Even though the amount of credit in special financial arrangements has continually increased, their significance as a dynamic tool in monetary policy is probably not large.

The greatest changes affecting tools of monetary policy have occurred in the banks' financial relation to the central bank. The changes have aimed at simplifying the system and achieving equal treatment for the various banks vis-a-vis the central bank.

At the beginning of 1982 the central-bank finance system was still rather complex. Commercial banks had been given individual bank quotas of central bank loans at the basic interest rate.

In addition, banks received credit from the central bank as a daily loan, the interest of which rose gradually according to the growth of the amount of the daily loan. The daily interest rate was determined governmentally already than by action of the Bank of Finland. Formerly, the daily interest rate had been determined first for a short time by demand for direct daily loans and the supply of daily deposits; later the daily interest rate was determined by use of a kind of investment rule.

After the beginning of 1982 the system was simplified several times, including the gradual elimination of additional interest steps for the daily interest rate. The last real change in the system was accomplished at the beginning of 1984, when, among other things, the banks lost their right to central-bank loans at the basic rate. After that time, banks have received credit from the central bank only as daily loans. In connection with the reform, foreign banks established in Finland received in 1982 the right to participate in the daily markets.

#### Daily Rate Most Important

All 10 of the commercial banks active in Finland as well as the Post Office Bank have the right to central-bank financing. Central-bank financing is given as daily loans at the daily rate fixed by the Bank of Finland.

In principle, the banks receive unlimited daily credit. In order to restrain the amount of daily credit, the Bank of Finland has, however, set up a so-called "tracking limit," expressed as the ratio between daily credit and reserve deposits, which at this moment is 1.5.

The daily interest rate has become the most important tool of monetary policy. The use of daily interest as a tool of monetary policy is not limited exclusively to determining the price of central-bank financing, but the Bank of Finland can also set the price of market money through it.

Market money is an alternative to daily credit for the banks.

It is worthwhile for the banks to accept market money as long as its price does not exceed the daily interest rate. If the banks are unable to pass market money on to their customers as loans, they can always take it to the Bank of Finland as daily deposits, which pays the daily interest rate on it.

The position of the daily interest rate was emphasized already in the fall of 1983, when the Bank of Finland raised the daily rate from 15 to 18 percent in a single stroke. By means of the increase they wanted to prevent the flight of currency caused by expectation of the customary fall devaluation. The central bank seriously decided that the cycle of inflation and devaluation had to be stopped.

At that time there began in Finland a period of high daily interest and high market interest, which is still continuing in spite of a gradual lowering of the daily interest rate. Liquid funds have been flowing into the country from abroad in great quantity, and foreign currency reserves are at an all-time high. At the same time, the position of the banks in relation to the central bank has changed so that they have net receivables from the Bank of Finland.

## Reserve Deposits

The Bank of Finland began to collect reserve deposits from the banks in the spring of 1979, when the money-market situation was threatening to become too volatile. Reserve deposits are based on an agreement between the Bank of Finland and the savings banks. The agreement has been renewed twice since 1979, most recently last fall, when the basis of the reserves was fundamentally broadened.

The reserve requirement is determined as a percentage of the "basic deposits" on hand at the end of each month. Basic deposits presently include loans accepted from the public in markkas or foreign currency, special loans that consist of market money appearing in the bank's balance sheet, and the banks' net foreign debt. Since the spring of 1984 the reserve requirement has been 5.6 percent, and the amount of deposits is at this moment almost 10 billion markkaa.

Having observed at the beginning of 1984 that reserve deposits in their form at that time were not a sufficient tool to commit liquid assets coming from abroad, the Bank of Finland began to intervene in the currency term-markets. The high daily interest rate also aimed at the same goal, the purpose being to get the banks to send their excess funds to the Bank of Finland as daily deposits.

Through interventions, however, the Bank of Finland prevented a large part of the import of capital deriving from term agreements. During all of last year, the total of liquid assets committed in this manner was about 20 billion markkaa. But interventions are only a means of postponing the importation of foreign currency to the future. During the current year term agreements have in fact been accumulating in abundance, but the impact on increasing foreign currency reserves has remained small. Without them, however, they would clearly have declined.

## Interest Policy

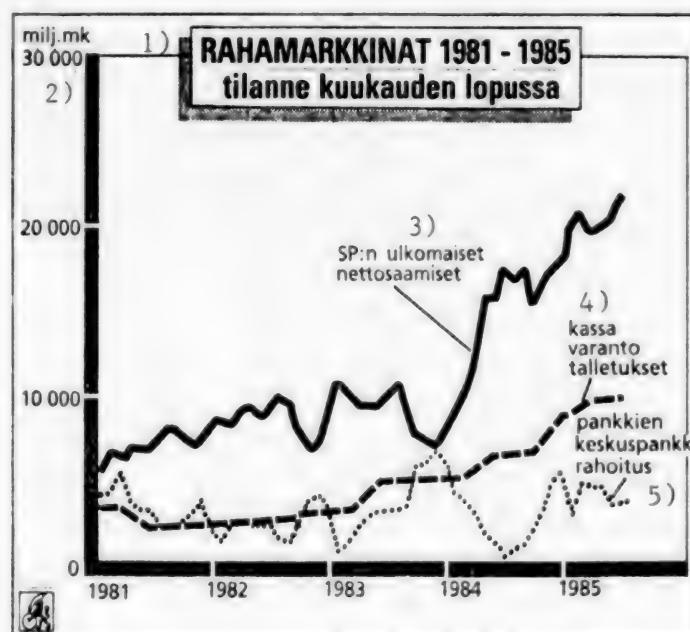
In our country, interest policy is based on regulation of the Bank of Finland's basic interest rate. In changing the basic interest rate, the Bank of Finland at the same time changes the general level of interest rates in the country, because it requires that banks reflect changes in the basic interest rate in the interests on loans made and received.

Closely connected with interest policy is regulation of the average interest rate on loans made by banks. This started in 1978. Regulation of the average interest rate on loans is aimed at loans in markkas made to the general public, and loans made in foreign currency and group promissory notes fall outside its scope. In addition to regulation of average interest rates, the Bank of Finland has prescribed for the banks a maximum permitted interest rate on loans.

Regulation of interest rates on loans has changed during the time of its existence, and the most recent change took effect in the fall of 1984. At

present the banks' average interest rate depends on the average interest rate paid on loans received. The higher the interest on loans received, the higher the interest rate on loans made can be. But banks can only transfer one third of an increase in interest on loans received to its interest rates on loans made. This strongly restrains the banks' desire to raise interest rates on their deposits.

During recent times, the average rate on loans made has risen clearly, because the share of high-interest market money in loans received by the banks has grown. In practice this has meant that interest rates on new credit have generally been noticeably higher than interest rates on old loans.



Key:

- 1) Money Markets 1981-1985
- 2) Billion Markkas
- 3) Bank of Finland's net foreign receivables
- 4) Reserve deposits
- 5) Central-bank financing of banks



Key:

- 1) Interest Rates and Inflation
- 2) Daily interest rate
- 3) Average interest rate on loans made by commercial banks
- 4) Inflation

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ECONOMIC

NORWAY

MINISTER SEES POSSIBILITY FOR MORE TRADE WITH USSR

PM250707 Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 24 Jul 85 p 3

[Interview with A. Haugstvedt, Norwegian minister of commerce and shipping, by own correspondent, Ye Troitskiy: "Expanding Business Ties"--first paragraph is editorial introduction]

[Text] Oslo--A routine session of the Intergovernmental Soviet-Norwegian Commission on Economic, Industrial, Scientific, and Technical Cooperation was held recently in Moscow. Our own correspondent met Asbjorn Haugstvedt, Norwegian minister of commerce and shipping, in Oslo and asked him to answer a few questions.

[Troitskiy] How do you appraise the state of trade and economic relations between the USSR and Norway, Mr Minister?

[Haugstvedt] To be frank, I am not at all satisfied with the way our bilateral trade is developing. Norwegian exports to the USSR decreased considerably in 1984, and this year so far the same tendency is being observed. Although imports from the USSR increased, this was mainly on the basis of the delivery to Norway of traditional goods. There is a real need to diversify trade and exchange and supplement it with new goods. I believe, for example, that the Soviet Union has good opportunities to increase the sale to Norway of processing industry products.

The Norwegian Government supports the intention of the Kongsberg State Trading Company and the Norwegian Fellesbanken Bank to open their own offices in Moscow soon.

[Troitskiy] Are you satisfied with the results of the talks in Moscow and with the directions in the development of trade and economic relations approved at the latest commission session?

[Haugstvedt] The Moscow talks were frank and constructive and broached specific questions and projects. I would highlight the talks now under way on the construction in the Soviet Union of a factory to produce window units by the Norwegian "Blok-Watne" Company. The conclusion of such a contract would open up an opportunity for further cooperation in this sphere.

Norwegian industry's interest was confirmed in deliveries to the USSR of equipment and services to develop oil and gas deposits in the Barents Sea. It was noted that an important role here belongs to the "Bloconor" group of companies, the seven leading Norwegian companies with a major interest in opening up gas and oil deposits on the continental shelf. We believe that the discussion of proposals on participation by Norwegian companies and firms in developing the natural resources of the Kola Peninsula was also of great benefit. The Norwegian side is also interested in deliveries to the USSR of shipping and fishing equipment and technology and equipment used in the development of aquiculture. There are also several opportunities for expanding trade in computer equipment and cooperating on questions of hydroelectric power.

The Soviet side showed interest in the questions we raised and I hope that the upcoming talks between Norwegian companies and Soviet organizations will produce positive results.

[Ivanovskiy] What, in your opinion, is the influence of economic ties between countries on the climate of international relations?

[Haugstvedt] East-West relations depend on several factors. And I think--and I expect people will agree with me if I say so--that mutually advantageous trade between states with different sociopolitical systems has a profound and positive influence on the whole character of international relations. Lack of contact often leads to loss of trust. For this reason we favor expanding economic relations with the Soviet Union. If it proved possible to achieve specific results in bilateral trade, I think that then the way would undoubtedly be opened for a considerable expansion of economic ties between our neighboring countries.

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ECONOMIC

PORUGAL

#### DETAILS ON DECREASE IN BALANCE OF TRADE DEFICIT

Lisbon O JORNAL in Portuguese 26 Jul 85 p 27

[Text] The Portuguese trade balance showed a deficit of 132.7 million contos for the first 5 months of this year, exports having amounted to 394.9 million contos and imports being computed at 527.6 million contos, according to provisional figures released by the National Statistics Institute [INE].

These figures represent a decrease in the deficit, in escudos, of 29.6 percent, whereas between 1984 and 1983 there was an increase of 7.7 percent, exports having increased 34.5 percent and imports 9.1 percent.

As a result, the rate of coverage of imports in escudos was 49.9 percent compared with 60.9 percent in 1984 and 71.1 percent in 1983.

In dollars, according to the INE, imports dropped 16.1 percent, which presupposes a continuation of the internal recession and no reversal of the trend toward a drop in investments, while exports showed an increase of 2.9 percent whereby the deficit was reduced 45.8 percent.

In the period being analyzed, Portugal showed positive balances in its trade with the EEC (23.5 million contos), EFTA (14.1 million contos) and African countries where Portuguese is the official language (11.2 million contos).

#### Concentration on the EEC

In the same period of 1984, the trade balance between Portugal and the EEC, which showed a deficit of 3.1 million contos, expresses what is happening beyond the cold reality of figures: the EEC is our principal supplier of machinery and equipment, and only the drop in investments (18 percent in 1984) with the nonreplacement (nor modernization) of the productive equipment makes it possible, during the period being analyzed, for Lisbon to have a positive balance of 23.5 million contos.

Moreover, Portuguese external trade continues to be extremely concentrated on the EEC which absorbs 57.6 percent of the total (394.9 million contos) and furnishes us 38.6 percent (203.9 million contos).

The two most favorable positive results in our trade balance are with EEC countries: France (12.8 million contos) and the Netherlands (10.7 million contos).

With regard to EFTA, the most favorable positive result shows up with Sweden (8.1 million contos), followed by Finland (3.4 million contos) and Norway (2.3 million contos).

With respect to the African countries where Portuguese is the official language, there was a drop in Portuguese exports (14 million contos in the first 5 months of 1984 and 13.7 million contos in 1985), while imports show a marked increase (from 1.5 million contos to 5.4 million).

The decrease in exports to these countries was due basically to the decreased value of purchases made by Mozambique (from 3.1 million contos to 1.5 million), while the increase in our imports resulted from an increase in our purchases from Angola (from 700.00 contos to 4.9 million contos), principally in the oil and coffee sectors.

Portugal continues to maintain positive balances with all these countries, although with Angola and Mozambique those balances were cut almost in half compared to the same period of the previous year (from 8.3 million contos to 4.7 million in the case of Angola and from 2.6 million to 1.2 million in that of Mozambique).

In the case of OPEC, the Portuguese trade deficit reached 91.2 million contos compared with 76.7 million for the same period of 1984, its principal supplier being Saudi Arabia (36 million contos).

The biggest deficit in the Portuguese trade balance shows up precisely with this country (34.9 million contos), followed by the negative balances which show up in the case of the United States (24 million contos) and Iraq (19.1 million).

Meanwhile, grain imports dropped 34 percent during the period being analyzed, going from 34.4 million contos to 22.6 million (4.3 percent of the total imported).

However, the biggest imports occurred in mineral fuels which reached a value of 156.7 million contos (29.7 percent of the total) of which 23.6 percent was in petroleum products.

Machinery, equipment and electrical material account for the second largest quantity of products imported by Portugal, and this is followed by chemical products, ordinary metals and their by-products and road vehicles.

Textiles and their by-products continue to occupy first place in Portuguese exports (110 million contos), followed by machinery, equipment and electrical material, wood and cord and chemical products.

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ECONOMIC

PORUGAL

### AGING FARMERS, SMALL FARMS MAIN PROBLEMS OF AGRICULTURE

Lisbon SEMANARIO in Portuguese 3 Aug 85 p 23

[Article by Jorge Fiel: "Small Farms (increasingly smaller) with Old and Poorly Educated Farmers"]

[Text] The northern farmer is old and poorly educated. This fact is told by numbers which do not usually lie. In Tras-os-Montes only 12.7 percent of the farmers are under 40 years of age, while on the other hand, 36.4 percent of them are older than 65. As far as education goes, national statistics are illustrative: 30 percent of the farmers can neither read nor write, 31 percent have some rudimentary knowledge of the alphabet (but do not have any educational grade) and 34 percent have a fourth-grade education. Those old and un-educated farmers work on small landholdings, landholdings which are increasingly smaller. Between 1968 and 1979 the number of agricultural holdings of Tras-os-Montes and Entre Minho e Douro increased 14 percent. To give some color to this black and white picture of Portuguese agriculture, it is necessary to support the establishment of young farmers. The EEC is coming and with it competition and money. If we do not use money properly, we shall be crushed by competition.

The EEC is coming but Portuguese agriculture does not seem to attach much importance to the event. The active agricultural population does not cease to age and the number of agricultural holdings does not cease to grow.

Experts say that Portugal in itself is no longer a country with a strong agricultural potential, since only 25.4 percent of the total surface area, from the point of view of soils, is favorable for the development of agriculture.

All indicators of the health of our agriculture point to one diagnosis: It is seriously ill.

The number of tractors, expressed in the number of tractors per 100 hectares, is 45 in Portugal, compared to the 220 average of the EEC where the FRG leads with 399, and the poorest relative, Ireland, presents an indicator more than twice as large as ours (104).

Another number, that of harvester-combines, is clearly unfavorable--Portugal has 0.4 percent per 100 hectares, while the EEC average is 1.9 percent per 100 hectares. Denmark fills us with envy with its 2.3 harvester-combines per 100 hectares, and only Italy comes close to our poverty with 0.6 per 100 hectares.

Going from the rates of mechanization to productive factors, but specifically to fertilizers, we see that our picture does not improve. Portugal uses an average of 48 kilos of fertilizer (nitrogenous, phosphated and potassic) per 100 hectares, while the EEC average is 154 kilos. Belgium uses 265 kilos and Ireland itself uses 90 kilos.

#### Farmers are Old and Poorly Educated

The advanced age of the farmers and their low degree of education are considered important active factors in the visible backwardness of our agriculture.

In the agricultural region of Entre Minho e Douro there are nearly 150,000 agricultural plots. Of this total only 16 percent (which means 24,000 holdings) of the farmers are under 40. On the other hand, 23 percent of the farms (34,500) are in the hands of farmers older than 65.

The aging of the active agricultural population is even more obvious in Tras-os-Montes, where only 12.7 percent of the farmers are younger than 40 years and 36.4 percent are over 65.

These indicators referring to the north are not much different than the national average. According to figures of the 1979 agricultural census, 15 percent of the farmers are in the hands of young farmers (which means under 40) and nearly 25 percent are managed by farmers over 65.

The 1979 census assures us that the degree of education of our farmers is deplorable; 30 percent can neither read nor write, 31 percent know how to read and write but have no degree of education. If we lump these farmers with the farmers who have a fourth-grade education, we arrive at a percentage of 95.

#### Seventy-six Percent of Farms have an Area of less than Three Hectares

It is known that agriculture in Portugal is carried out--particularly in the north and center--essentially in minifarms. National figures reveal that 76 percent of the agricultural holdings have an area of less than three hectares.

The smallness of the holdings, which do not allow a rational use of some productive factors (for example, mechanization), is a figure which is progressively worsening.

Between 1968 and 1979 the number of agricultural holdings in the country increased from 693,167 to 779,813, which means a positive change of 12.5 percent.

In that same period, the change was greatest in the region of Entre Minho e Douro (15.6 percent, which corresponds to an increase of 20,501 holdings), and in Tras-os-Montes (where the change of 12.6 percent is slightly higher than the national average).

This fragmentation of property, which shows an obvious tendency to worsen, is contrary to the need recognized by all for proceeding to joining plots of land.

"The principal method of land exchange is that of the transmission of the right to use and own agricultural land because of the death of elderly farmers. It is urgent at this time to intervene in the sense of establishing a single successor, a young farmer with the necessary drive to make viable land restructuring and the technical, associative and commercial innovation which the agriculture of the north lacks," declared Dr Arlindo Cunha, a technician of the CCRN [expansion unknown] specializing in agricultural questions.

#### Problems Reside in the Mobilization of Funds

The individualistic nature of the average farmer, the lack of surveys of many properties, and the lateral costs (removing kilometers and kilometers of walls and leveling the land) are factors which have prevented the joining of plots of land. Even minor attempts already made have failed.

"It is very important at this time to prevent the continued fragmentation of property and insure that there be only one heir per farm and that such heir have access to cheap loans so that he may pay the shares of the other heirs and purchase equipment," Arlindo Cunha told us.

Betting on young farmers to reverse the fragmentation of agricultural property has another dimension, according to an expert of the CCRN: "A young entrepreneur is by nature more ambitious than the older one. Therefore, it is natural that he will contribute more to land restructuring by leasing more land to increase gains and to make equipment more profitable."

Cheap loans, professional training and organization of rural extensions services are the instruments required for changing the dark picture of Portuguese agriculture. However, all this costs money, but the EEC, through EAGGF [European Agricultural Guidance and Guarantee Fund], could finance it.

"Joining the EEC forces the Ministry of Agriculture to face the problem of reorganizing Portuguese agriculture and that of supporting the establishment of young farmers. For the execution of PEDAP alone (Specific Program for the Development of Agriculture), a program aimed at the resolution of problems of rural infrastructure and extension, we have access to 700 million ECUS between 1986 and 1995. The great problem is the mobilization of those funds..." concluded Arlindo Cunha.

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CSO: 3542/240

ECONOMIC

PORUGAL

BRIEFS

TRANSACTION BALANCE DEFICIT--The deficit in the balance of current transactions rose to 17,652,000,000 contos in the first quarter of this year, close to half of the 34,542,000,000 registered in a similar period of 1984, it was revealed by the Bank of Portugal. The improvement in the deficit was caused primarily by the decline in the negative total of the balance of merchandise and the increase in the area of unilateral transfers. The deficit in the balance of merchandise totalled 52,982,000,000 contos, 29 percent less than the 74,748,000,000 contos recorded in the first quarter of 1984. In turn, unilateral transfers reached 75,231,000,000 contos, which is an increase of 15.3 percent with respect to the first 3 months last year (65,276,000,000 contos). Of the total of transfers, 68,678,000,000 contos (91.3 percent) consisted of remittances by emigrants, a total slightly higher than the 64,968,000,000 recorded in the first quarter of 1984. Unlike the balance of merchandise, that of services and yields, which primarily includes tourism, transportation and insurance, registered an increase in its deficit. In the first 3 months of this year, the negative total of the balance of services and yields rose to 39,901,000,000 contos, compared to 25,070,000,000 contos in the like period last year. Contributing primarily to the worsening of the deficit was the increase in the negative total of capital yields, which reached 48,366,000,000 contos, compared to the 31,199,000,000 contos of the past year. [Text] [Lisbon O DIA in Portuguese 5 Aug 85 p 4] 8908

STATISTICS ON EMPLOYMENT REQUESTS--At the end of March, according to data from the IEFP (Institute of Employment and Vocational Training) made available to ANOP [PORTUGUESE NEWS AGENCY], the IEFP had 343,879 unfilled requests for employment. That is an increase of 0.9 percent over February. In comparison with March 1984, the number of unfilled job requests in Portugal (mainland and autonomous regions) was up by 14.3 percent. Of the unfilled job requests at the end of the first quarter, 334,953 were from unemployed persons, and only 8,926 were from people wanting to change jobs. According to IEFP statistics, 84,026 persons were receiving unemployment compensation at the end of March--up 5.7 percent over the previous month. That total consisted of 43,517 men and 40,509 women. Almost one-third of the job requests (113,239) are from applicants for jobs abroad. Of the total number of unfilled job requests on file with the IEFP, 197,259 were from women and 146,620 were from men, while 57,118 of the applicants were seeking their first job and 227,835 were looking for a new job. Four districts account for about half of the total unfilled job requests: Lisbon (70,018 requests), Porto (41,400), Setubal (38,147), and Braga (23,371). Other districts reporting over 20,000 were Santarem (22,968) and Aveiro (20,674). [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 6 Aug 85 p 2] 11798

MILITARY

PORUGAL

LACK OF RESOURCES SAID TO THREATEN ARMED FORCES' OPERATION

Chief of Staff's Statements

Lisbon DIARIO DE NOTICIAS in Portuguese 26 Jul 85 p 2

[Excerpt] The chief of the armed forces' general staff said yesterday in Mafra that the military institution has reached "the limit of its operational flexibility," the result, he said, of "increasingly serious difficulties which are overburdening the armed forces and of the crippling effect of the austerity program we have been carrying out for several years."

Lemos Ferreira, who was present at the military ceremony which commemorated Armed Forces Day this year simultaneously with Army Day stressed that "from this point on, there is not enough imagination or innovative methodology or competent administrative procedures which can compensate for the escalation in costs, inflation and the devaluation of the currency.

"Without a viable economic base or regulations which can make that base a reality, it will not be possible to prepare for military or any other defense, and national independence, unity and territorial integrity will be in serious jeopardy," said the chief of the armed forces' general staff.

Addressing Gen Ramalho Eanes, who presided over the ceremony, Fernando Amaral, president of the assembly of the republic, Rui Machete, minister of defense, and the heads of the three branches of the armed forces, he emphasized that it is not "necessary" for the military "to contribute to the creation of illusions or try to ignore the difficulties associated with the exercise of its mission."

According to Lemos Ferreira, "the soldiers are the sectorial executants of the overall policy, determined and administered at the state level and, in this regard, have legal or other participation, which is certain and correct: but within the scope of the responsibilities which are attributed to them relative to the country's military defense, they have the obligation to know and express the conditioning factors which can prevent them from carrying out their mission."

Referring to the strategic concept of national defense approved by the government on 31 January, Lemos Ferreira said that he considered it "one of the principal parameters in the establishment and preferential nature of the strategic military concept now under consideration."

However, he recalled that "for well-known reasons, the armed forces still retain their legal status within the context of the state," which does not prevent the military institution from being immobilized, since "various interconnected projects are underway aimed at obtaining operations convergence and its correlation with the various factors which influence and condition the general defense plans."

#### Needs Remain Despite Austerity

Lisbon DIARIO DE NOTICIAS in Portuguese on 27 July 1985 p 6

[Text] The armed forces are not an entity isolated and sealed off from the national community inasmuch as they, like the other sectors of that community, have suffered the effects of the prolonged austerity program in which the country has been immersed for several years and from which it is not known how or when it will emerge. Thus, it is understandable that, like what is occurring in other sectors of our collective life, the military commandos are expressing their concern over the general deterioration of the means and accelerated reduction of the allocation at their disposal to carry out the missions to which they are committed.

The complaints are becoming more bitter year after year--as is happening with the economic and social areas or public organizations and departments which have long ago exceeded the limit of what is bearable--but, not even for this reason, are they producing results which, to say the least, are foreshadowing or reversing the trend toward a generalized breakdown. Also, year after year, the budgets are derived in accordance with a strict formula based on a forecast of total expenditures, as if obeying the inexorable logic of an entity determined, through experimentation, to evaluate the capacity for resistance of the Portuguese people. Nearly all sectors are suffering, and the armed forces are no exception. And this is how it should be--it will be said--in order not to create islands of privilege in an ocean of crisis.

However, it so happens that even austerity must have its limits. And there are sectors in which, those limits having been exceeded, the country's image is deteriorating and national independence and dignity are being compromised. The armed forces are one of those sectors--not the only one, naturally--and, to use the words of the chief of the general staff, they are now at the limit of their capacity to carry out in a worthy manner the tasks which the country assigns them, which are not limited, as is well-known, to making war, when that is what is called for.

Lemos Ferreira's warning: "We have reached the limit of operational flexibility" has been repeated through the years by him and his predecessor, Melo Egidio. It deserves careful consideration, for it is certainly not in

...activity that the highest operational military officer risks, ...  
...operating, contributing to the creation of doubt in the credibility  
...of the armed forces if, as in past years, the regime of  
...dictatorship is continued.

However, the most serious point is that the armed forces are only one of the elements of our national defense, and the vast majority of the others--from agriculture to industry, from transportation to energy, from business to finance--are still more vulnerable and destined to extreme dependence on foreign nations. Thus, subject to a number of external factors beyond our control, having a national territory divided into three parts and an immense patrimonial sea whose surveillance and control should not be diminished under any pretext--which requires great effort--we cannot permit the armed forces to reach a degree of vulnerability which will compromise, even on the psychological level, the complete exercise of our sovereignty. Unless, as Lemos Ferreira remarked a few months ago in an interview with our newspaper, we want to be a colony. Independence has a high price; but that price must be paid, even during a period of dictatorship.

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CSO: 3542/235

MILITARY

PORUGAL

BRIEFS

MILITARY COOPERATION WITH PRC--The Ministers of Defense of Portugal and the People's Republic of China yesterday made an inventory of possible areas of cooperation between the two countries in the military domain. According to what Rui Machete revealed at the end, both Portugal and China are interested in technological exchange in the defense field. Included in this area is the visit that the Chinese Minister Zhang Aiping made to Centrel and other trips that he has planned. Rui Machete stated also that the two countries are about to develop programs for the purpose of modernizing and restructuring their respective armed forces. In the Portuguese case, the Minister of Defense considers that in the reconversion of the armed forces "the preservation of the national interest is the priority." He also made clear that the project for construction of frigates is included in the modernization effort of the armed forces and expressed the wish that conversations to be held soon with the Federal Republic of Germany on this subject will be positive. As mentioned above, the Chinese minister was at Centrel where he paid special attention to the radio receivers/transmitters and military telephones manufactured by the industrial plant. Zhang Aiping (who is on an official visit to our country for eight days) was accompanied on this trip by Figueiredo Lopes, Portuguese Secretary of State for Defense, having expressed the desire of his country to broaden relations with Portugal in the military field. [Excerpt] [Lisbon DIARIO DE NOTICIAS in Portuguese 18 Jul 85 p3] 12942

CSO: 3542/229

201000

TURKEY

## EVREN ORDERS F-16 INVESTIGATION

Istanbul CUMHURIYET in Turkish 18 Jul 85 pp 1, 11

[Article by Yalcin Cakir: "Order from Evren to Investigate F-16"]

[Text] Adapazari - President Kenan Evren announced yesterday that he had given instructions for the investigation of whether "misappropriation" had occurred in connection with claims that bribery was involved in the selection of the F-16 aircraft. Evren said, "There are large firms abroad that may put on plays you would never dream of to sell their own products. So such a play may have been put on. This is not to say there should not be an investigation. I have given instructions to those concerned to have an investigation conducted."

In a public address in Adapazari yesterday following his inspection of the Arifiye tank factory and TUBITAK [Turkish Scientific and Technical Research Organization] at Gebze, Evren stressed the need for us "to work hard to keep up our standing behind technically, which happens so quickly" and pointed to the "Japan model" as an example. Asserting that we hurt one another "by fighting," Evren said the TGNA [Turkish Grand National Assembly] had been established and begun its work and the government had been formed, but there emerged those who wanted to denigrate this Assembly and jeopardize the respect of the Assembly. Evren continued:

"The TGNA is the greatest institution a people can have and not even a speck of dust can be allowed to settle on it. That is how sensitive we must be about it. If we were to be tempted to say, 'This Assembly does not represent the Turkish nation, this Assembly must be changed,' you see, we would be hampering it. Casting a shadow on that Assembly neither does us good at home nor improves our prestige abroad. On the contrary, it is detrimental."

Evren then went on to say that the refrains had begun, first "This assembly must go, early elections must be held," followed by "All the rules and all the institutions of democracy are not functioning in Turkey." "This nation experienced the democracy they are talking about -- and you know what that means -- in the time prior to 12 September. We have seen on various occasions that this nation does not want that kind of democracy or democratic rule. If what they want to be done in a country has not been done, it means democracy does not exist there. In fact, this is what they are saying in Turkey, too," he said.

Noting that these circles then say, "This constitution is not democratic. The constitution must be changed," the President added:

"The Turkish nation approved this constitution. It went into effect on the strength of the votes of the Turkish nation, that is, your votes. Certainly, there may be citizens among us who wish the constitution to be changed. If there are those who do not wish it to be changed, there will also be those who wish it to be changed. I am supposed to have torn a hole in it, if I recall, because I said, 'I stand behind this constitution.' It is not a constitutional amendment. Now they are starting to patch it. If 300 national deputies vote in favor of amendment of this constitution in the TGNA, it will [not?] change, because this constitution has still given the president of the republic one power. If a constitutional amendment passed by a two-thirds majority were to be vetoed on my part, it could then be passed by a three-fourths majority. If it passed by 300 votes, that's the three-fourths we mentioned, the president still has one power. He may take this amendment to the people. So, if that happens, those parts of the constitution that they do not like may be changed. It is not that the constitution cannot change, it can change."

## 12 September Officers Slandered

Evren said that people were starting to whisper and spread a slinging effort against those who had served during the military. He continued:

"We passed a law, No 2969. Our purpose was to eliminate the rumors about who did what to prevent the revival of the former period and to give the citizens peace and quiet. People came out who wanted to change this law, too. Just as there are now those who wish to change the constitution, there are also people who wish to change the provisional articles of the constitution, and the fifteenth article among them. Provisional article 15 of the constitution is the one drawing all the attention lately. You know that Turkey has undertaken to build a new aircraft to strengthen the Armed Forces and the air force. It chose an aircraft called the F-16.

"A Greek came out, a Greek no longer working at that factory, and said something about how there had been misappropriations involving the engines of these F-16's in Greece. Now everyone has latched onto that. Article 15 does not prevent the investigation of a person if he has been involved in such an irregularity or personal misconduct. If any employee engages in such misconduct, an investigation of it can be conducted. In fact, I gave instructions to those concerned to have an investigation conducted if need be. There is no article saying those who served during 12 September cannot be prosecuted. They, too, went on record in the discussion of provisional article 15.

"If you recall, the Turkish Air Force bought two new squadrons after the Cyprus Peace Operation. A Lockheed suit was begun after that. Every time something is purchased for the Turkish Armed Forces, rumors circulate afterwards. Foreign foci who do not want the Turkish Armed Forces or other forces strengthened always use this. We must never lose sight of that. If we listened to everything that was said or believed every rumor, those who have jobs

like this would always be upset and never get any work done for worrying lest some trouble happen. The whole problem is that we be mindful of this here. There are large firms abroad and the firms competing with them may put on plays that you would never dream of in order to be able to sell their own goods. So, such a play may have been staged. This is not to say there should not be an investigation. I am saying here that there will be an investigation and I have given instructions to those concerned. They will have to work harder than that to disrupt your well-deserved peace. They have been working to date. But they may find the climate since our return to democracy more suitable and engage in various ploys that would not even enter our minds. Be alert. If you, the citizens, are alert in this regard, those forces will not be able to play their games and treacheries anyway. It is up to you. As long as you are vigilant, they will be frustrated."

President Evren inspected the TUBITAK Research Center at Gebze yesterday morning, where he was briefed by TUBITAK Secretary General Professor Necati Ince. Though noting that the organization's research capital was limited, Professor Ince pointed out that they had decided some time ago to do a study of Turkey's lignite production and problems and had forwarded data to the ministry about this 40-billion-lira study, but had not yet received a reply.

President Evren then went to Arifiye where he toured the 1010 Army Equipment Factory. While lunching with the workers, Evren asked, "Is this the same food you get every day?" The workers replied, "Yes, sir, this food is 'the same that is given to us.'" Evren paid for his own meal, as well as those of the delegation and reporters accompanying him, from his own pocket. Evren was given a report on the tank factory's modernization efforts which have been in progress since 1982 and was told that the steel tread manufacturing section was ready for service and that modernization would be completed in 1989.

Evren said in his speech here: "There is no reason not to reach the levels of the developed countries, because our workers, technicians and engineers employed abroad perform these jobs in factories there. They are not hard jobs. All that is needed is the money. If we can get that, then we will be making many of our weapons and equipment ourselves."

After the speech at Adapazari, the president cut the ribbon at the NISSAN [starch industry] starch factory built by a private firm and the Ottoman Forest Villages Development Cooperative.

8349

CSO: 3554/145

MILITARY

TURKEY

MORE ON F-16 INVESTIGATION

Istanbul CUMHURIYET in Turkish 19 Jul 85 pp 1, 11

[Article by Cuneyt Arcayurek: "F-16 Tangle and Investigation"]

[Text] Ankara - After President Kenan Evren unexpectedly announced at Ada-pazari that he had ordered an investigation of the F-16 aircraft, we asked Minister of State and government spokesman Mesut Yilmaz for information. "A letter was sent from the Prime Ministry this morning (yesterday) to the Foreign and National Defense Ministries about the conduct of an investigation in this regard," he said.

National Defense Minister Zeki Yavuzturk, meanwhile, said that this letter had also been sent to the General Staff and that the Foreign Ministry would request information from the American government.

It is pointed out in the Prime Ministry letter that "reports have appeared recently, particularly in foreign broadcasts, in regard to incidents of bribery in connection with the F-16 aircraft, indicating that certain unnamed persons in Turkey had been given bribes." It is requested that extensive inquiries and investigations be conducted.

When asked why the Foreign Ministry had been "given the investigation order," Minister of State Yilmaz said, "You know, a former F-16 manager who lives in Greece made numerous announcements. The foreign ministry will get the information on this and make the necessary investigation." He spoke of the possibility, once the Foreign Ministry was set up, of establishing liaison with the committee working on General Dynamics bribes in the United States.

The procedure that will be used in connection with the bribery incident involving the F-16 has not yet been made clear. Mesut Yilmaz said yesterday morning that it had not yet been decided whether the two ministries would form a joint commission to conduct the study. He said that the public would be kept informed of the government's efforts in this regard.

Following Turkey's choice of the F-16 aircraft over the F-18, former F-16 managers began indicating, especially recently, that certain persons had been bribed in Turkey as in various other countries, such as Korea and Egypt. Statements of this kind made most recently in Athens where Takis Velotis, a former administrator of the General Dynamics Company which makes F-16's, lives prompted negative reactions from the upper echelons of the Turkish services.

National Defense Minister Yavuzturk, with whom we discussed the bribery issue, underscored the fact that the bribery revelations had been made by a former F-16 administrator, "but," he said, these statements did not include "to whom the bribes had been given in Turkey and for what purpose." Minister Yavuzturk said it was necessary to pay attention to the peculiarities of rivalries between competing firms and pointed out as well that "Veliotis' saying that bribes had been given to someone in Turkey without naming names" prevented the launching of an investigation "at present."

Meanwhile, there is controversy over whether provisional article 15 of the constitution prohibits the conduct of an investigation of procedures instituted during the 12 September period.

The debates taking place in the press of the bribery charges and the constitution are being followed closely at the upper levels. In fact, President Evren said in a speech, "Every time something is purchased for the Turkish Armed Forces, rumors circulate afterwards. Foreign foci who do not want the Turkish Armed Forces or other forces strengthened always use this." He said that large firms may have staged various ploys to enable them to sell their products and that the constitution would not prohibit an investigation of this.

Minister of State Mesut Yilmaz confirmed yesterday that President Evren had informed Prime Minister Ozal that an F-16 investigation would be launched.

Prime Minister Ozal, upon these instructions from Evren, sent a letter to the Foreign and National Defense Ministries. The "failure to give names" in the charges of bribery in Turkey involving the F-16's is the biggest drawback, according to statements by officials. The first stage of the investigation will be an attempt to determine definitively whether F-16 builder General Dynamics gave bribes to anyone in Turkey. To be investigated along with this is whether the receiver of the bribes was in Turkey and who it might have been.

Cankaya sources said that the "investigation order did not go through here" because the president is in Istanbul. However, they said that article 15 of the constitution is not an obstacle to conducting an investigation of bribery. Article 15, according to these sources, prohibits legal proceedings on "the decisions and dispositions of the National Security Council, the 12 September governments and the Consultative Assembly." If there was anyone who was involved in improprieties or received bribes during the 12 September period, constitutional article 15 does not prohibit the investigation of them and the institution of the necessary legal proceedings, these sources stress.

This is reportedly the way President Evren interpreted the constitution and gave the "order for investigation of those concerned."

Meanwhile, National Defense Minister Zeki Yavuzturk said yesterday that "the official letter in connection with the investigation came from the Prime Ministry." Minister Yavuzturk said that this letter had been sent at the same time to the Foreign Ministry and the General Staff.

Asked how the investigation would be conducted now, Minister Yavuzturk replied, "Now we have a precedent. There was an investigation of Lockheed. However, there is as yet no definite situation as to what action will be taken. Mr Mesut Yilmaz will announce that the president's instructions were forwarded to the ministries."

As to what the Foreign Ministry could do in this regard, Minister Yavuzturk said:

"The Foreign Ministry will get in touch with the U.S. administration. It will ask that the records of the General Dynamics investigation be checked for information as to whether bribes were given in Turkey and, if so, to whom they were given according to the firm's testimony and that we be informed of this."

We asked Minister Yavuzturk whether a commission would handle the investigation and whether officers from the General Staff would be on this commission. He replied: "As you know, Law No 926 and the regulations on military investigations provide for the prosecution of military personnel by the commands only. The General Staff Court may institute the necessary proceedings in this."

Yavuzturk added that the procedure for the investigation had not been decided yet and more would be known in a couple of days.

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CSO: 3554/145

MILITARY

TURKEY

PROVISIONAL ARTICLE 15 OF CONSTITUTION DEBATED

Aldikacti Comments

Istanbul CUMHURIYET in Turkish 19 Jul 85 pp 1, 8

[Text] NEWS CENTER - We discussed provisional article 15 of the constitution with Professor Orhan Aldikacti, one of the men who drew up the constitution. Aldikacti said that article 15 of the State Civil Service Law No 657 forbids his making any statements beyond scientific debate and announcements and, for this reason, he did not wish to express a view. The conversation between Aldikacti and our correspondent went like this:

[Correspondent] Mr Aldikacti, I am not asking you how provisional article 15 of the constitution might be interpreted as your political view, but as a legal argument.

Aldikacti: To me, provisional article 15 is clear. An investigation cannot be conducted.

[Correspondent] Our president says that an investigation can be opened in this matter and that he gave instructions for the investigation to be opened.

Aldikacti: Are you trying to pit me against our president? I am not giving a statement. Everyone applies provisional article 15 the way he sees it.

[Correspondent] So when you were writing this constitution, were you thinking of a constitution that everyone could apply as he saw it?

Aldikacti: If you look carefully, we did not write the article in that form. In matters involving the constitution from now on, place the text we produced side by side with the form that came out of the NSC [National Security Council] and compare them. But why are you asking me these questions? You have on your newspaper Mr Ugur Mumcu who writes about the constitution all the time. Consult him. I would be interested in what he says.

Kemal Dal Comments

Istanbul CUMHURIYET in Turkish 19 Jul 85 pp 1, 8

[Text] Ankara (CUMHURIYET BUREAU) - Professor Kemal Dal, vice chairman of the Constitutional Committee that wrote the 1982 Constitution, said that all of

the provisional articles of the constitution had been written by the National Security Council and, for this reason, he did not know the rationales for them. In pointing out that he did not know the rationale for provisional article 15 of the constitution which prohibits the investigation and prosecution of the 12 September period leaders, Dal said, "The National Security Council prepared all the provisional articles. We had no information on the rationales. For this reason, I cannot make any comment."

In answer to a CUMHURIYET correspondent's question, Dal said:

"All the provisional articles of the constitution and their rationales were written by the National Security Council. Provisional article 15 prohibiting the investigation and prosecution of the leaders of the 12 September period was also written by the council. For this reason, it is impossible for me make any comment. The rationales for the provisional articles were not forwarded to the Constitutional Committee. It may be possible to get them from the Assembly archives. But the provisional articles and their rationales were in the NSC."

#### Text of Article 15

Istanbul CUMHURIYET in Turkish 19 Jul 85 pp 1, 8

[Text] NEWS CENTER - Provisional article 15 of the constitution was taken up in the Consultative Assembly as article 11 and was given final form by the National Security Council. It is again at issue, as it was in the investigation of Adnan Baser Kafaoglu, in connection with the bribery charges in selection of the F-16. The full text of provisional article 15 prohibiting investigation of the 12 September period follows:

"During the period which shall pass from the date of 12 September 1980 until formation of the first Turkish Grand National Assembly to convene as a result of general elections and of the Presidential Council, no charge of criminal, financial or legal responsibility shall be levied because of any of the decisions and dispositions of the National Security Council, established by Law No 2356 and which exercises its legislative and executive powers on behalf of the Turkish nation, the governments formed during the period of this council's administration or the Consultative Assembly, which performs its duties under Constituent Assembly Law No 2485, and no recourse may be made to any court of law for this purpose.

"The provisions of the above paragraph shall apply also to those who adopt decisions, make disposals and implement by reason of the implementation of the said decisions and dispositions by the administration or by organs, bodies or officials empowered to act.

"No charges of unconstitutionality may be brought against the laws passed during this period or decisions and dispositions adopted in accordance with the Law on the Constitutional Order No 2324."

The first controversy involving the 12 September period under this article of the constitution arose in connection with Adnan Baser Kafaoglu. A request for the investigation of procedures involving the Basak Firms Group during the time when Kafaoglu was Minister of Finance in the Ulusu government was sent to the Ministry of Justice by the Ankara Republic Prosecutor's Office. The Ankara prosecutor had reached the conclusion that the Kafaoglu case did not involve article 15 of the constitution and that it should be investigated under constitutional article 100 for "personal culpability." However, this file never left the Ministry of Justice.

Article 15 of the constitution is at issue now because of the question of bribery in the selection of the F-16. There has been intensive debate in the past few days over whether anyone who may have taken bribes in connection with the aircraft, which was selected during this period, could be investigated according to article 15 of the constitution.

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CSO: 3554/145

OCEAN/POLAR ISSUES

PORUGAL

FISHING AGREEMENTS SIGNED WITH AFRICAN COUNTRIES

Lisbon DIARIO DE NOTICIAS in Portuguese 14 Aug 84 p 5

[Text] Portugal and Senegal have just established a fishing agreement that is going to allow Portuguese long range ship owners to fish in Senegalese waters, said a spokesman for the Secretariat of State for Fishing. The same source added that eight licenses will be issued in this phase to Portuguese fishermen for fishing in Senegalese waters. These will be used by fishermen already operating in the seas of Guinea-Bissau, who will now go on to exploit resources "which are almost all located in waters which mark the borders between that country and Senegal."

At this time Portuguese fishermen are operating in Guinea-Bissau and some ship owners plan to order the construction of three more ships specifically for fishing in that zone.

The spokesman of the Secretariat of State for Fishing said: "The agreements are ready to be signed," and the secretary of state for fishing of Senegal has already been invited to come to Portugal to sign the agreements officially.

"This agreement involves a number of efforts made by the Secretariat of State for Fishing of Portugal to regulate fishing agreements already existing with African states and to extend them to other countries, as is the case now with Senegal, Sao Tome and Principe, and it could happen with South Africa," added the source from the Secretariat of State for Fishing. On the other hand, a delegation from the Secretariat of State for Fishing left Monday for Mozambique, where it is going to renegotiate a fishing agreement with that country, "which although it has existed for some years, has never been put into practice."

The Portuguese delegation will be in Mozambique for nearly a week, during which it will "seek to establish the bases for a new agreement," after which it will depart for South Africa "for preliminary contacts aimed at concluding a fishing agreement with the authorities of that country."

According to the source consulted, "The situation having to do with existing fishing agreements was also regularized with Mauritania, the Portuguese side pledging to pay the debts of Portuguese ship owners to the authorities of that country (for fees that the Portuguese fishermen should have paid for

each kilo of fish taken). The sum amounted to \$2 million (nearly 320,000 contos). The debts would be paid by the state agency Tradeimport, in the words of the Secretariat of State for Fishing spokesman, "half in money and half in goods produced in Portugal."

In exchange, Mauritanian authorities will lower the percentage of the rate per kilo of fish taken from 27 percent to 24 percent.

"With the regularization of these situations and the new agreements signed, Portugal will be as of now the only intermediary between the African Portuguese-speaking countries and EEC authorities," he said.

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